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(S5)

SPEECH

OF THE

HON. A. M. ROSS,

TREASURER OF THE PROVINCE OF ONTARIO,

DELIVERED ON THE 21st FEBRUARY, 1884,

IN THE

LEGISLATIVE ASSEMBLY OF ONTARIO,

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY.

REPORTED BY T. W. GIBSON AND L. V. PERCIVAL.

Toronto :

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FINANCIAL STATEMENT
OF THE
HON. A. M. ROSS.

LEGISLATIVE ASSEMBLY,
TORONTO, *21st February, 1884.*

Mr. Ross said :—Mr. Speaker, the formal motion which it now devolves upon me to make, that you do leave the chair to enable the House to go into committee for the purpose of granting the supplies necessary for the public service of the ensuing year, is, under our system of parliamentary procedure, the occasion on which it is the duty of the financial officer of the Government to lay before the House a full statement of the financial position of the Province, as well as of the estimated requirements of the public service for the current year. This I shall endeavour to do as shortly and explicitly as possible, and, if my explanations and illustrations are not as full and interesting as I would wish, the House will, I am sure, take into consideration the recent date at which I have assumed the position of Treasurer, and that necessarily the larger part of the receipts and expenditures of the past year have not come under my personal supervision. I shall first lay before hon. gentlemen the receipts and expenditures for the past year, the details of which they will find in the public accounts which are placed in their hands ; then I shall direct their attention to a statement of the assets and liabilities of the Province on 31st December last, and finally bring before them the anticipated receipts and expenditures of the current year, 1884.

The receipts for the past year have been as follows :—

FINANCIAL STATEMENT OF

RECEIPTS FOR 1883.

Dominion Subsidy	\$1,333,569 42
Crown Lands	635,447 25
Algoma Taxes	4,106 02
Education Department.....	28,175 25
Law Stamps.....	61,845 02
Licenses.....	96,460 50
Drainage Debentures.....	45,748 00
Drainage Assessments	24,975 86

Public Institutions :

Toronto Lunatic Asylum	\$34,920 87
London " "	10,381 47
Kingston " "	3,139 76
Hamilton " "	6,231 01
Orillia " "	1,921 55
Reformatory for Females	3,753 99
" " Boys	470 71
Central Prison	32,142 07
School of Practical Science.....	645 00
Deaf and Dumb Institute.....	240 00

 93,846 43

Casual Revenue :

Fines, etc.....	\$ 3,468 78
Surrogate Court Fees....	3,966 00
Division " "	6,758 03
County " "	2,117 76
Insurance Co.'s "	430 00
Private Bills "	2,038 00
Gazette "	1,208 78
Provincial Secretary's Office...	8,661 60
Incidentals	493 60
Statutes	436 28

 29,578 83

Interest	76,324 23
Lock-up, Huntsville, Capital Account.....	913 00
Parliament Buildings, "	236 16
Central Prison, "	8,379 94
Kingston Lunatic Asylum, "	199 92
Government House, "	69 00
Mimico Lots, "	34 88
Municipal Loan Fund.....	31 66

 Total..... \$2,439,941 42

MR. MEREDITH.—Are the sums received on capital account for Central Prison, etc., amounts received on account of fire insurance?

MR. ROSS.—Yes.

MR. MEREDITH.—Before the hon. gentleman passes from that, I would like to ask whether the receipts from Drainage Debentures, \$45,748.00, represent payments made on account of debentures, or sums received from sales of debentures?

MR. ROSS.—They are repayments made by the municipalities on account of Drainage Debentures.

The main source of our revenue is the Dominion subsidy. It comprises more than one half of our receipts, and is a fixed sum which has remained stationary since Confederation. There are no marked variations, either, in our miscellaneous revenues, such as those from licenses, public institutions, stamps, casual revenues, etc. These generally remain nearly stationary; but there is one item in our receipts, which a glance at the public accounts of past years will show, is very variable. That is the receipts from Crown Lands, and Woods and Forests. The main sources of our revenue are not so dependent upon the general business prosperity of the country as are those of the Dominion Government, which are, to a large extent, but a percentage upon the business transactions of the country. Our Crown Land revenue, however, particularly that from woods and forests, is of a like character and subject to the same influence. In times of prosperity and business activity, collections are more easily made and payments more prompt; and our revenue from Woods and Forests is very largely an index of the prosperity or depression of our lumber trade. Unfortunately that industry was not, in the latter part of 1883, as prosperous as we would wish, and the result is that our revenue from this source has not come up to the expectations of my predecessor in office. His estimate of receipts from Woods and Forests was \$600,000; they have only been \$505,547. His total estimate of Crown Lands revenue was \$750,000; the actual receipts have been \$635,447, or a deficiency of \$114,553. The revenue from Public Institutions has also fallen short of the amount estimated by the sum of \$21,654. My predecessor calculated on the receipts from the Central Prison amounting to \$55,000, while they only amounted to \$32,142. This falling off is mainly owing to the non-payment of a sum of about \$17,000 due by the Mercer Institute to the Central Prison for bricks furnished. Until the appeal in the Mercer case was settled, the property

belonging to that estate could not be disposed of; but now that a decision has been given in favour of the Province, the property will be sold, and this sum will certainly come into the receipts from the Prison in 1884. There is no material discrepancy between the estimated and actual receipts in any of the remaining items, unless I may mention the sum of \$8,879 received from Insurance Companies for damage by fire to the machine shops at the Central Prison. The amount paid by the Insurance Companies was the sum fixed by arbitration to be sufficient to replace the building and machinery as they were before the fire. Altogether the total receipts have been \$2,439,941.00, or \$137,828 less than estimated.

I now proceed to give the expenditures of the past year :

EXPENDITURES, 1883.

Civil Government	\$202,898 00
Legislation	133,366 83
Administration of Justice.....	275,244 94
Education.....	513,347 65
Public Institutions Maintenance.....	648,995 63
Immigration	47,764 41
Agriculture and Arts.....	139,725 95
Hospitals and Charities.....	80,600 53
Miscellaneous	103,717 15
Public Buildings.....	129,859 08
Public Works	41,062 43
Colonization Roads	123,497 47
Crown Lands	67,131 26
Refunds.....	40,960 29
	<hr/>
	\$2,548,171 62
Drainage Debentures	31,294 83
Railway Aid	258,001 62
Municipal Loan Fund.....	9,071 70
Land Improvement Fund.....	9,579 58
Widows' Pensions	3,645 88
New Parliament Buildings.....	2,272 50
Common School Fund	25,000 00
	<hr/>
	\$2,887,037 73

It will be noticed that there have been several over expenditures. In the first place, there is an over expenditure of \$11,772 under the head of Civil Government. This arises principally from three items—one, in con-

nection with Government House, where the estimate for repairs, furnishings, etc., has been exceeded by \$6,000 ; another, of about \$4,000, for repairs and furnishings of the east and west wings of the parliament buildings ; and the third, the cost of the newly-formed Board of Health, which appears in 1883 for the first time, and which has exceeded the estimate by some \$2,000. I may mention that in future I propose not to retain such expenditures as Repairs and Furnishings of Government House and Departmental Buildings under the head of Civil Government, but, as at Ottawa and Quebec, to class them under the head of Repairs and Maintenance of Public Buildings. The change which I propose will leave the charge for Civil Government about \$20,000 less than it has been for several years past.

There has also been an over expenditure under the head of Legislation of \$25,666, principally made up of over expenditure for Stationery and Printing, \$13,456 ; Sessional writers, \$6,790, and Repairs to Legislative Buildings, \$6,640. The constitutional theory is that the Government is responsible for legislation, and for the conduct and extent of the business done by the House ; yet practically, we cannot deny that the Opposition and the House must share the responsibility to a large extent. If numerous and voluminous returns are ordered, they cannot be prepared without a good deal of additional assistance, and cannot be printed and circulated in large numbers without incurring considerable additional cost. With regard to the increase in the amount expended in repairs to our legislative buildings, I think no excuse or apology for that is necessary. The condition of the Parliament buildings, in which we are now sitting, has been the subject of comment year after year, and session after session, some members declaring the accommodation to be sufficient for them, and others stating that the buildings were altogether inadequate and discreditable to the Province. At any rate, repairs are from time to time necessary, and are now charged under the head of Legislation. Under the re-arrangement which I propose, this expenditure will be removed from Legislation and placed in the same account as Repairs to Departmental Buildings. The expenditure for Administration of Justice was less than estimated by \$17,844. There will be variations from time to time in the cost of Criminal Justice in the country. The cost in the courts remain stationary, but the cost paid by the counties is liable to fluctuation. The estimated expenditure for Criminal Prosecutions was \$10,000, while they have only cost \$6,491—a decrease which, I have no doubt, will meet with the approbation of hon. gentlemen

as being an evidence that the Government is exercising economy in that direction. For the Administration of Justice in the north and north-westerly parts of the Province, the estimate was \$5,000, the expenditure \$9,289, shewing an excess of \$4,289. This was incurred in meeting the unjust interference of the residents of another Province with our administration of the law in that section, and I am sure the people of Ontario would have cheerfully agreed to an expenditure of ten times that amount, rather than have it said that the Government, in the face of threats of ejection, had withdrawn our officers from a territory which we claim to be justly ours. (Cheers). I am sure honourable gentlemen opposite will be gratified to find that the expenditure there has been only this \$9,289, instead of the \$40,000 which their press has stated was the cost of maintaining our authority there. (Hear, hear).

One of the most important items of our annual expenditure, Mr. Speaker, is the maintenance of our public institutions. It is an expenditure that is increasing year by year, and forms the larger part of that increase which has taken place since 1871, out of which, with annual reiteration, capital is sought to be made against the Government. The Government, however, cannot be held to be culpable on account of this increase, which is caused by the necessity of maintaining a greater number of these unfortunates. All they can be held accountable for is the economical management of the institutions. If we exclude the Agricultural College, which I propose to transfer to Agriculture, and the School of Practical Science, which will hereafter be classed under the head of Education, our remaining institutions may be divided into three classes, viz., Asylums for the care and custody of the insane and idiots; Asylums for the deaf and dumb, and blind, which are educational in their character, and Prisons and Reformatories for our criminal and depraved classes. In the two latter kind of institutions, I think, from the figures which I will present to the House, we may conclude that our expenditure has arrived at a maximum in proportion to population, and that our present accommodation fully meets the public requirements. Our expenditure for our Insane and Idiot Asylums, on the other hand, is still yearly increasing. I have tables prepared shewing the number of inmates and the cost of maintenance during the decade 1873 to 1883. In regard to the Institution for the Blind, it is as follows:—

Year.	Total Inmates.	Expenditure.
1873.....	54	\$21,259 92
1874.....	101	22,238 00
1875.....	116	22,061 00
1876.....	125	24,033 00
1877.....	135	25,913 00
1878.....	175	26,289 00
1879.....	200	29,515 00
1880.....	203	30,343 00
1881.....	201	30,034 00
1882.....	167	34,816 00
1883.....	160	33,736 00

It will be seen from these figures that the greatest number of inmates was reached in 1880, and the maximum expenditure in 1882. In order to shew that the increased expenditure was not due to any lack of economical management, I will give the House the cost per patient in 1874, which was \$281.49 per annum, and in 1883, only \$244.46, shewing that in 1883 the institution was maintained at a less relative cost than in 1874.

I will now direct the attention of the House to a similar statement in connection with the Institution for the Deaf and Dumb. The number of inmates and expenditure in each year from 1873 to 1883 were as follows :—

Year.	Total Inmates.	Expenditure.
1873.....	193	\$31,234 00
1874.....	221	32,276 00
1875.....	238	32,047 00
1876.....	256	33,517 00
1877.....	271	38,332 00
1878.....	277	36,426 00
1879.....	264	38,589 00
1880.....	281	36,596 00
1881.....	296	37,200 00
1882.....	303	39,927 00
1883.....	293	39,016 00

Here, again, the maximum was arrived at in 1882, in which year the number of inmates was 303, and the expenditure \$39,927 ; while in 1883 both the numbers and the cost were reduced. The cost per inmate is now less than it was in 1873, for in that year it was \$173.52, and in 1883 \$158.36.

Coming now to the Reformatory for Boys, I will give a similar statement, as follows:—

Year.	Total Inmates.	Expenditure.
1873.....	189	\$24,979 00
1874.....	188	19,889 00
1875.....	210	21,334 00
1876.....	218	23,324 00
1877.....	257	24,430 00
1878.....	264	29,528 00
1879.....	263	28,427 00
1880.....	286	34,030 00
1881.....	313	35,571 00
1882.....	355	32,671 00
1883.....	321	41,642 00

As in the other cases, we find here that the maximum was apparently arrived at in 1882, so far as numbers are concerned. During the previous years there seems to have been a regular progression, both as regards numbers and cost, while in 1882 we appear to have overtaken the demand, and the numbers, instead of remaining stationary, became less in 1883, although the cost in that year was more than in the one previous. In instituting a comparison with reference to the cost per inmate, we find that in 1873 it was \$173.47, while in 1883 it was only \$163.30.

I will now take the Central Prison in the same way. The figures are:—

Year.	Total Inmates.	Expenditure.
1874.....	47	\$17,693 00
1875.....	701	43,017 00
1876.....	849	43,117 00
1877.....	997	51,268 00
1878.....	999	65,720 00
1879.....	920	47,737 00
1880.....	873	48,854 00
1881.....	1,051	48,613 00
1882.....	1,107	55,130 00
1883.....	995	51,001 00

Hon. gentlemen will notice that we have here a similar state of affairs, as we have with regard to the other Institutions I have named, viz., that up to the year 1882 there is a gradual increase both in numbers and in cost. In that year, however, we find the maximum is reached, and in 1883 there is a reduction, both in the numbers of those confined in the institution, and also in the expenditure.

Mr. CREIGHTON.—The Public Accounts for 1883 give the amount as \$53,071?

Mr. ROSS.—The figures I have given in all these tables are taken from the reports of the Inspectors. Hon. gentlemen are aware that their year expires in September, and in making their calculations as to expenditure, they take the year as from September to September, and not from 31st December to 31st December, as in the Public Accounts. With regard to the per capita cost, in 1874 it amounted to \$80.75, but in that year the Institution was hardly in existence. In 1875, the first full year in which the Prison was in successful operation, the expenditure per inmate was \$172.90; in 1883 it was 171.72. (Hear, hear.) The statement I have made in regard to the institutions to which I have referred does not, however, hold good in the case of the institutions to which I have now to direct the attention of the House, viz., our Asylums for Insane and Idiots. I am sorry to say we have not overtaken our requirements with respect to these classes, as hon. members will find in the Inspector's reports, either as to the amount of accommodation or the expenditure. At the same time, I have figures which I think will prove that the increased expenditure is not a result of extravagant management on the part of the Government, but that it is the necessary consequence upon the increased number of inmates in these institutions. The following table includes both Insane and Idiots, because in former years these classes were not kept distinct in the Inspector's reports. The figures are:—

Year.	Total Inmates.	Expenditure.
1873.....	1,780	\$201,478 00
1874.....	1,865	214,308 00
1875... ..	1,925	218,541 00
1876.....	2,118	241,380 00
1877.....	2,390	281,843 00
1878.....	2,546	270,162 00
1879.....	2,665	286,894 00
1880.....	2,899	297,894 00
1881.....	3,065	322,971 00
1882.....	3,175	368,683 00
1883.....	3,285	377,095 00

Hon. members will notice that in this decade there is, without exception, an increase from year to year, both in numbers and cost, up to the present time. But applying the same test as before, let us see whether the institu-

tions are as economically managed now as they were in past years. The cost per patient in 1873 was \$132.11, while in 1883 it was only \$131.01—less than it was ten years ago.

Mr. MEREDITH.—Is that the gross expenditure, or the expenditure after deducting the income?

Mr. ROSS.—That is the gross expenditure. I will give the House a further proof that these institutions are economically managed. In the Inspector's report for 1883, that gentleman says as follows:—

“While on the subject of expenditure, it may not be out of place to call attention to the very low rate of expenditure which prevails in all our Asylums, compared with similar institutions in the United States. As I stated in my report of last year, the lowest average I could find in the United States was \$227.75 per annum per patient, while our average for the same period in Ontario was \$134.68, a scale which one of our Superintendents characterizes as ‘nearly poor house rates.’ Recent enquiries which I have made have given no reason to change these figures relatively.”

So it will be seen that in the United States it costs much more per patient to maintain these institutions than it does here. (Applause). I wish also to call the attention of the House to this, that while the Government in Ontario bears the whole cost of maintaining the Insane and Idiots, both in Great Britain and in the United States the localities have to bear the whole cost of those whom they send to the Asylums. I quote again from the Inspector's report of 1883:—

“In Great Britain and in the United States, theoretically, there are no free patients in the Insane Asylums, except in those in which criminals are cared for. All the pauper insane come through the parish or county poor authorities, and are kept at the expense of the parish or county from which they come. Whenever such patients are in a condition to be discharged they are restored to the parish or county. With us pauper patients come through the gaols and by ordinary process as well; and we have no authority to return them whence they came. If their friends do not voluntarily come forward and take charge of them—and they seldom do—indigent-chronics once in the Asylum remain there for life and are buried at the expense of the Province.”

The smaller cost in Ontario, as compared with the United States, is all the more surprising when it is considered that, as I have stated, in the latter country the whole burden falls upon the localities from which the inmates come, and it might naturally be expected—especially in such a democratic

country as the United States—that the people in those localities would look very closely into the expenditure upon these institutions, seeing they have to raise the whole of it by local taxation. In the face, however, of a stricter scrutiny than might be looked for here, we find that in the United States the cost per patient nearly double what it is in our own Province. (Applause). This fact speaks volumes for the economy with which our Asylums are carried on.

Mr. MEREDITH.—Can the hon. gentleman give the name of the institution to which the Inspector refers?

Mr. ROSS—The name is not given in the report, but it is the lowest which he can find. The total expenditure for Public Institutions Maintenance was \$648,995, while the estimate was only \$606,884, or an increase over the amount estimated of \$42,111. This, from year to year, has been the position in which the financial officer of the Government has been placed with regard to those institutions. The upward tendency which has been going on has not been fully recognized at the time of making the estimates, and at the end of the year the attention of the House had to be drawn to the fact that there had been an over expenditure. It is unfortunate that this is so, but we cannot close our eyes to the fact that such is the case. The Government are charged with the responsibility of taking care of those unfortunate and afflicted persons, and it is a responsibility which they must meet so long as the revenues of the Province will enable them to do so. There is also an over-expenditure of \$7,814 under the head of Immigration, arising from the increased number who, this last year, have come into the country and remained. In 1882 the number was 22,691, and in 1883, 27,119, an increase of about 5,000 in the latter year. In Agriculture and Arts, also, there has been an expenditure above the estimated amount of \$14,620. This is due partly to an increase of cost in the Bureau of Industries, the estimate for which was \$8,000, while the actual expenditure was \$15,249. The explanation of this increase is given by Mr. Blue, who has charge of the Bureau. Under the system which formerly prevailed he was in the habit of receiving from school teachers the returns necessary for his statistics, the teachers making their own compilations, etc. In this way a less amount of assistance was required at the head office than is necessary at the present time. It was found, however, that the teachers objected to the work, which was entirely voluntary on their part,

and the consequence was that the returns were not being received so extensively or in such accurate form as was desirable. The plan was therefore adopted of sending out schedules to individual farmers in every township in the Province, and when these were received back they were compiled in the office at Toronto. A larger number of clerks was consequently required than had been employed under the former system, and this affords the reason of the increase in cost which has taken place. It is for the House to consider whether this system is to be continued or not, or whether the increased accuracy which is given to the returns is commensurate with the increase in expenditure.

Mr. MEREDITH.—Was that change made on Mr. Blue's own motion, without consultation with the head of the Department?

Mr. ROSS.—It was not done while I had charge of the Department, but I should suppose it would not take place without the concurrence of the Government.

Mr. YOUNG.—After consultation with the late Treasurer and myself, the plan was adopted that was found to be most desirable under the circumstances.

Mr. ROSS.—Under the head also of Agriculture and Arts there have been exceptional expenditures in connection with forestry, and the pamphlet on butter-making, which has brought up the expenditure to a larger sum than was anticipated. From the favourable comment which the pamphlet on butter-making has received, however, I do not think there will be any objection to this increase. If it will have the effect of imparting much useful information with regard to this important industry—as I think it will—the House will, I am sure, approve of the expenditure. These are the principal items of exceptional and over-expenditure during the past year which it is necessary to bring before the House. The total amount taken under the Supply Bill was \$2,606,151.56, and the total expenditure has been \$2,548,171.62; or, in other words, the expenditure for the past year has been under the appropriation by \$57,979.94.

I now come to a statement of the assets and liabilities of the Province, and I will give them in the same form, and under the same heads, as they have been given in previous financial statements. The assets are as follows:—

ASSETS OF THE PROVINCE.

INVESTMENTS.

1. Dominion 6 per cent. Bonds	\$500,000 00	
Market value over par value.....	30,000 00	
	<hr/>	\$530,000 00
Drainage—5 per cent. Debentures, in-		
vested 31st December, 1883.....	\$216,201 81	
Tile drainage—5 per cent. Debentures,		
invested 31st December, 1883.....	25,679 61	
Overdue interest on account of same..	1,539 91	
Municipal rent charges for works com-		
pleted.....	302,398 00	
	<hr/>	545,819 33
	<hr/>	\$1,075,819 33
2. Special or Trust Fund, held by Dominion of Ca-		
nada :—		
Upper Canada Grammar School Fund. 2 Vic.,		
Cap. 10, and 250,000 acres of land allotted to it.		
(This fund is bearing interest at 5 per cent.)....	\$312,769 04	
Upper Canada Building Fund (under the 18th Sec.,		
Act 1854), Seigniorial tenure set apart for local		
purposes in Upper Canada. A large portion of		
this fund should bear interest at 6 per cent., but		
we have received only 5 per cent.....	1,472,391 41	
Land Improvement Fund, being one-fourth of the		
collections on account of Common School Lands		
sold between the 14th day of March, 1853, and		
the 6th of June, 1861, as per Award.....	124,685 18	
Common School Fund (see Consolidated Statutes,		
Cap. 26), 1,000,000 acres set apart, (proceeds		
realized to 1st July, 1867), after deducting Land		
Improvement Fund, \$1,520,959.24, portion be-		
longing to Ontario, as per population of 1881.		
This fund is bearing interest at 5 per cent.....	891,201 74	
	<hr/>	2,801,047 37
3. Value of Library, share assigned to Ontario, as per Award....	105,541 00	
4. Balance due on account of Municipal Loan Fund Debts, 31 Vic.,		
Cap. 47.....	89,500 00	
5. Balance due from Mechanics' Institute, Toronto.....	8,000 00	
6. Balance due on account of Sale of Lots at Mimico.....	6,500 00	
Balance in Banks, Current Accounts.....	400,621 54	
Special Deposits	253,625 71	
	<hr/>	\$4,740 654 95

Mr. MERRICK.—When do those Dominion bonds expire? The hon. gentleman has put a market value upon them above that which they bear on their face.

Mr. ROSS.—I think they have eight or nine years yet to run. They are six per cent. bonds, not five per cent., and I believe the estimate placed upon them is less than could now be realized on sale.

Mr. MEREDITH.—Is the half-yearly subsidy payable 1st January included in the bank balances?

Mr. ROSS.—No. If I had included the subsidy which was paid on 4th January I would have been able to add \$666,000 to the sum which appears in this statement. I will now state what our liabilities are :—

LIABILITIES OF THE PROVINCE.

Balance due on surplus distribution to municipalities.....	\$2,150	45
Quebec's Share of Common School Fund, made up as follows :—		
Collections on account of lands sold between 14th June, 1853,		
and 6th March, 1861.....	\$821,966	94
Less 6 per cent. cost of management....	\$49,318	01
One Quarter for Land Improvement		
Fund on account of Lands sold....	205,491	73 254,809 74
		<hr/>
		\$567,157 20
Collections on sales made since 6th March,		
1861.....	\$296,710	83
Less 6 per cent. cost of management.....	17,802	64 278,908 19
		<hr/>
		\$846,065 39
Quebec's proportion according to population of 1881.....	350,315	77

LAND IMPROVEMENT FUND.

Balance due Municipalities for collections on Lands sold between		
14th June, 1853, and 6th March, 1861, as per Award.....	3,946	81
		<hr/>
		\$356,413 03
		<hr/>
Showing a surplus of Assets of.....	\$4,384,241	92

The House will notice that I have taken into account in this statement the trust funds in the hands of the Dominion Government at the same amounts as my predecessor has done for some years past. I suppose hon. members are anxious to know what progress has been made towards a settlement with the Dominion, particularly in regard to these trust funds. They

will recollect that in the last financial statement made by my predecessor he stated that a settlement of the accounts with the Dominion was in suspense, awaiting the receipt of a statement promised by the Dominion Deputy Finance Minister, Mr. Courtney, and that as soon as that statement was received, steps would be taken to bring the parties together from Ontario, Quebec and the Dominion, in order to arrive at a settlement. One of my first actions, after assuming the position I now occupy, was to make inquiries as to the progress that was being made towards this end. I found that the last letter which had been received was to the effect that the promised statement was in course of preparation, but that it had not then been fully completed. After waiting some time I again wrote, and an answer was received that the statement had been prepared and had been submitted to Sir Leonard Tilley for his examination, but that he had not yet approved of it, and until his approval had been given, the statement could not be transmitted. It was not until the 19th of December last that the blue-book containing the voluminous statement of account between the Dominion and the Province was received in the Department. I think the House will readily recognize that coming so lately into the office, and this statement being received at so late a period in the year, when the Department was busy closing up the accounts for the preceding twelve months and making preparations for the meeting of the House, it was a matter of impossibility for me to give that attention to the accounts which would enable me to give full information regarding them, or even to arrive at a conclusion with respect to details. In fact, I may say it will likely be necessary for an experienced accountant to go down to Ottawa and examine the vouchers and accounts there, which it may require months to do, before we can be in a position to say whether this statement is to be accepted as correct or not. However, the cursory examination which I have been able to give these accounts has revealed to me several important charges and items in them as against the Province, which we emphatically dispute. (Hear, hear.) The accounts in this blue-book are given in three separate forms; the first, schedule "A," professes to give the accounts against Ontario, Quebec and the late Province of Canada, as they have appeared in the public accounts of the Dominion from time to time; the second, schedule "B," the same accounts as recast by Mr. Langton in 1877, and transmitted to the Province at that time; and the third, schedule "C," gives them as made up in accordance with the agreement signed by Mr. Wood and

Mr. Wurtele, then Treasurers respectively of Ontario and Quebec, showing interest at the rate of five per cent. upon debit or credit balances, each half year. In the last statement, schedule "C," they give the Province credit for the trust funds that I have enumerated in the statement of assets, viz., \$312,769 for the Upper Canada Grammar School Fund; \$124,685 for the Land Improvement Fund, and \$1,472,391 for the Upper Canada Building Fund. All these funds are placed at the credit of the Province, thus admitting that at date of 1867 they belonged to the Province, and were payable as soon as a settlement had been made with the Dominion. (Hear, Hear). I think, therefore, this fact will set at rest the contention which I think has been made upon that side of the House upon the delivery of every financial statement within my recollection, viz., that these trust funds are not available to the Province at any time; that they are to be held in trust by the Dominion and that the Province has no control over them. In these accounts they are given as being at the credit of the Province, and I have no doubt the Dominion is willing to pay them over as soon as a settlement is arrived at in regard to other items. On the other hand, the Dominion Government do not give us credit for the Common School Fund at all; they claim that in accordance with the arbitration it is to be left in their hands in trust, Ontario and Quebec receiving interest upon it from time to time, in proportion to their respective population, as determined by the decennial census. It is claimed by hon. gentlemen opposite that this fund must remain in the hands of the Dominion Government for all time to come. That claim cannot be enforced against the united demands of the Provinces. (Hear, hear.) The arbitration between Ontario and Quebec decided that it was to be placed with the Dominion Government in trust, but I do not think that Government could presume to hold the fund against the wish of both the Provinces. If Ontario and Quebec were to come to a settlement as to how the fund should be divided, a joint request on their part to the Dominion Government to pay it over in certain proportions to each of them, would be acceded to at once. It is, therefore, open for the Provinces to consider whether they should allow the money to remain where it is, drawing five per cent. interest, or take it out of the hands of the Dominion, and apply it in the public uses of the Provinces. So far as I am concerned, I think we should allow it to remain until the necessities of the Province require that it should be withdrawn. When this time comes, I have no doubt the Dominion Government, on a

request joined in by both Ontario and Quebec, will be glad to relieve themselves of the trust.

Mr. MEREDITH.—Is not our interest, as compared with that of Quebec, growing greater every ten years?

Mr. ROSS.—Certainly it is, and it is to our interest to allow the fund to remain. We have no necessity at the present time to withdraw it, and we do not propose to do so.

The House will be surprised to learn that, in these accounts, after the Dominion Government gives us credit for these three funds, amounting in the aggregate to \$1,909,845, the balance in favour of the Province is shewn to be only \$966,312. I myself was surprised when I saw this result, and I looked over the accounts to see how it was arrived at. These figures actually show that there is at the credit of the Province, in the hands of the Dominion Government, almost a million dollars less than the sum we have been estimating our balance at, supposing they give us credit for the full amount of the funds. It was always thought that, by the Act of 1873, the Dominion assumed as at that date the whole amount of the debt that the Dominion had against the late Province of Canada, which the Act declared was then ascertained to be \$73,006,088.84. I quote the Act:—

“And whereas the amount fixed as aforesaid in the case of the Provinces of Ontario and Quebec, conjointly (as having heretofore formed the Province of Canada), was sixty-two millions five hundred thousand dollars (\$62,500,000), and the debt of the said late Province, as now ascertained, exceeded the said sum by ten millions five hundred and six thousand and eighty-eight dollars and eighty-four cents (\$10,506,088.84), for the interest as aforesaid on which the said two Provinces were chargeable, in account with Canada, etc.,”

making a total debt of \$73,006,088.84. That was the amount of the debt as declared by the Act of 1873 to be ascertained at that time; it is the debt exactly as shewn by the Dominion public accounts, and it was assumed by the Dominion under this Act, even to the odd cents. One would naturally have supposed that this was an end of the matter, and that the debt had been wiped out as against the Province. In examining into these accounts, however, I found that we were not yet clear of the Dominion, and that, in addition to the debt it assumed under the Act of 1873, amounting, as I have stated, to \$73,006,088.84, we are charged as at date of that assumption, 1873, with a further amount of debt of \$678,069,

which, at five per cent. interest, compounded half-yearly as is done in these accounts, will now amount to over \$1,000,000. " (Hear, hear.) Further examination disclosed certain charges—and one charge in particular—brought into the account as against the late Province of Canada, which mainly make up this difference, and to these I shall presently refer. While on the subject of the Act of 1873, I desire to draw the attention of the House to another important item in the accounts which I dispute, viz., the interest on the surplus debt from 1867 to 1873.

I will read from the Act of 1873 :—

"In the accounts between the several Provinces of Canada and the Dominion, the amounts payable to and chargeable against the said Provinces respectively, in so far as they depend upon the amount of debt with which each Province entered the union, shall be calculated and allowed as if the sum fixed by the one hundred and twelfth section of 'The British North America Act, 1867' were increased from sixty-two million five hundred thousand dollars to the sum of seventy-three million six thousand and eighty-eight dollars and eighty-four cents."

Here is a distinct declaration that, in settling the accounts between the Provinces and the Dominion, the sum of \$62,500,000 in the British North America Act is to be read as if it were \$73,006,088.84. I take the position that under this Act it is clearly intended that the whole debt of the Province as it was then ascertained, was to be assumed by the Dominion, and that that assumption was to be as at date of 1867 and not 1873. (Hear, hear.) This view of the case, however, has not been adopted in these accounts, because Ontario and Quebec are charged interest on this surplus debt of \$10,506,088 up to 1873, amounting in all to \$2,865,559. Simple interest at five per cent. on the sums thus paid from 1867 to 1873, would now bring it up to about \$4,900,000, Ontario's share of which would be over \$2,600,000. If we are able to make good our contention—and Quebec is also pressing the same claim against the Dominion Government—it will make a difference in favour of the Province of Ontario of two and a half millions, or if compound interest is allowed, of a much larger sum. (Cheers.)

Returning to the surplus debt of \$678,069, which these accounts show as against the late Province of Canada as at date of 1873, over and above the \$10,506,088 then assumed by the Dominion, I was anxious to ascertain how this had been arrived at. I found that in Schedule "C," a charge is made as of date July 1st, 1867, of a claim against the late Province of

Canada that has never since Confederation appeared in the public accounts of the Dominion. If hon. gentlemen who have a copy of the accounts will turn to page 102, they will find this item: "Arrears of payments to Indians under Robinson treaty, \$140,800."

OPPOSITION MEMBERS.—Hear, hear.

Mr. ROSS.—Hon. gentlemen say "hear, hear." It has struck me as strange in connection with the discussions that have taken place in the House or on the public platform as to our Provincial and territorial rights, that whenever a statement is made which makes against our own Province, we have an expression of approbation from hon. gentlemen opposite. That is not patriotic. It is partyism run mad. (Applause.) I hope that if in the settlement of the accounts with the Dominion a question arises as to the proper construction of the Act of 1873, and the true liability of the Province in regard to these Indian annuities, the Province of Ontario will stand united in defence of its rights, and not present to the Dominion that divided front we have unfortunately exhibited with respect to the important matters of territorial and legislative rights. (Cheers.) I trust that the representatives of the people in this House, upon whichever side we may sit, will all cordially join in endeavouring to see in what way we can best serve the interest of our Province in regard to her finances, as we ought to do in regard to other matters. If we have a fair and equitable demand to make against the Dominion both sides of the House ought to come forward and strengthen the hands of the Government by a hearty and united assistance. (Hear, hear, and cheers.) We find then, a charge for arrears of payment to the Indians under the Robinson treaty of \$140,800, and also a capitalization of annuities amounting to \$303,280—altogether, a total sum charged as at date of 1st July, 1867, of \$444,080. If hon. gentlemen will calculate interest on that sum at 5 per cent., they will find that in 1873 the whole will amount to very nearly the amount of excess charged against this Province. They will find too, that it will amount now to about a million dollars, and the main discrepancy in the accounts consequently arises from this charge of \$444,080 made in respect to annuities under the Robinson treaty. When the Robinson treaty is spoken of, it must be recollected that in reality two treaties are meant, one made with the Indians of Lake Huron, and the other with the Indians of Lake Superior. They were negotiated on the part of the late Province of Canada by Hon. W. B. Robinson and both bear date of 1850. One treaty provides

for an annual payment of \$2,000, and the other for an annual payment of \$2,400, in all \$4,400 to be paid yearly to the Indians of these districts. The Lake Huron treaty covers the whole of the territory from Penetanguishene to Batchewaning Bay on Lake Superior, taking the country inland as well as along the coast of Lake Huron and the Georgian Bay. The Lake Superior treaty begins at Batchewaning Bay, follows the coast of Lake Superior up to the International boundary line on Pigeon River, and thence back to the height of land, covering like the other, the inland territory as well as the coast. Under these treaties the annuity provided for, viz: \$4,400, continued to be paid to the Indians up to the time of Confederation. At the time of Confederation, in arriving at what was the debt of the late Province of Canada, those who made up the debt took this annuity, together with other annuities that were due to Indians under other treaties, and capitalized the whole in the sum of \$701,280, and this was charged against the late Province of Canada as a part of its debt, which was assumed by the Dominion under the B. N. A. Act. We supposed that this was a final settlement of the matter, But the treaties contained a provision that if in future years the revenues from the Province were such as to warrant it, an increased subsidy might be paid to the Indians to the extent of \$4 per head of the Indian population. No move in this direction was made until 1873 when a demand was made by those acting on behalf of the Indians for payment of the increased subsidy. That demand was transferred to the Province of Ontario. The Hon. Attorney-General then, as now, leader of the Government of this Province, wrote a despatch to the Dominion Government in 1874.

Mr. MEREDITH.—What Government was it that first made the increased payment to the Indians?

Mr. ROSS.—The claim was first preferred in 1873, under the administration that preceded that of Hon. Mr. Mackenzie, but continued to be the subject of negotiation until 1875. The Attorney-General repudiated any responsibility on the part of the Province, and suggested that the matter be referred to the Court of Chancery for a decision. Mr. Blake concurred in the suggestion, stating that, while the large sums received on account of this Indian territory would seem to warrant the increased payment, still the question as to who was liable might be submitted to the courts, and that, in the meantime, the amounts should be paid without prejudice to either party. In 1876, an appropriation of \$11,000 was made

to provide for the increased subsidy, and every year, up to the present time, a similar amount has been taken by the Dominion for this purpose.

Mr. MEREDITH.—Was the proposed case ever tried?

Mr. ROSS.—No case has ever been submitted. But admitting for the purposes of argument that the additional subsidy which has been paid since 1873 is a proper charge against the late Province of Canada, how does the Dominion arrive at this charge of \$140,800 as at date of 1st July, 1867, when the demand for increased payment on the part of the Indians was not made until 1873, and not recognized until 1875, and when no payment at all was made until 1876? (Hear, hear.) And besides this \$140,800 for arrears of payments to the Indians, we are charged at the same date, July 1st, 1867, with a capitalization of \$303,280. If hon. gentlemen will examine into the principle upon which the Indian annuities were calculated in 1867, they will find that the capitalization was on the basis of twenty years' purchase of the annuity; the amount of the annuity was multiplied by twenty, and the result was taken as the amount of the capitalization. Now, assuming the charge to be a proper one, I cannot see how this \$303,280 is arrived at. If you take \$11,000, the amount of the increased subsidy since 1875, and multiply it by twenty, you will get only \$220,000, instead of \$303,280. This statement of account furnished the Province has evidently been made up with the intention of bringing every possible charge against Ontario, leaving us to make the contention that these charges are improper and incorrect, and the facts which I have adduced with regard to these Indian payments shew that in taking these accounts we cannot consider them as accurate. (Hear, hear.) They contain charges which the Province cannot admit, and which we must contend against. (Hear, hear.) This claim for Indian annuities on the part of the Dominion Government, however, settles one contention that I have frequently heard made. I think hon. gentlemen will recollect that a speech was made on a certain occasion by the present Premier of the Dominion at a point not very far distant from the room in which we are now sitting, in which the question of the Indian title to the lands comprised in the territory under dispute was discussed, and in which the statement was made that even if that territory were awarded to us "there is not one stick of timber, one acre of land or one lump of lead, iron or gold that does not belong to the Dominion or to people who purchased from the Dominion Government. So it is absurd to say that Ontario has been robbed; she has not been robbed of a farthing.

“You know there is Brantford in Ontario, and that there is the township of Onondaga. Mr. Mowat is the head of the Provincial Government, but that township belongs to the Indians ; it does not belong either to the Ontario Government or the Dominion Government. In the same way all the country from Lake Superior to Red River belonged to the Indians until it was ceded to the purchaser, and the person who purchased it is known as Queen Victoria, the Queen of the Dominion of Canada.”

I have mentioned that the Lake Superior treaty covers the whole of the territory from Batchewaning Bay to Pigeon River and back to the Height of Land—that is to say, the treaty made with the Indians in 1850 covers the whole of that portion of the disputed territory south and east of the Height of Land. By that treaty the Indians were made to cede their rights to Her Majesty the Queen. Who represents the Queen in this Province? Is it the Dominion? I hold it is the Lieutenant-Governor of this Province. Who represented Her Majesty in the united Provinces of Upper and Lower Canada at the time these treaties were made? I apprehend it was the Governors of those united Provinces. Under the Confederation Act any portion of the territory comprised in these Indian lands which was found to be within the bounds of any Province belongs to that Province. (Hear, hear.) The award also between Ontario and Quebec, in which the Dominion arbitrator took part, provides that these Indian lands, with regard to which the annuities were capitalized, should belong to the Province in which they are situated, free from any claims on the part of the other Provinces, and the annuities capitalized and charged the Province of Canada covered this very territory which it is claimed now does not belong to us. (Cheers.)

I may also draw attention to the fact that in these accounts up to the date of December, 1871, Ontario is credited with receipts amounting to \$597,458, and debited with disbursements made on her behalf by the Dominion of \$943,473, so that up to that date there appears to have been an excess of disbursements over receipts of \$346,015. At that time the Administration which preceded the present Government held the reins of power, and the friends of hon. gentlemen opposite were in office. The Government of my hon. leader, the Attorney-General, is therefore not responsible for this trenching upon the funds of the Province ; the responsibility lies at the door of the Government which was then in power—the Sandfield Macdonald Government. It must also be borne in mind that in all the comparisons

which have been made between the expenditure of Sandfield Macdonald and that of the present Government, this large disbursement of \$943,473 shewn in the statement furnished by the Dominion as having been made by the former, has never been taken into account.

Mr. MEREDITH.—Was not that expended during the first half-year after Confederation?

Mr. Ross.—A large portion of it—some \$540,000—no doubt was, but the expenditure also continued in subsequent years.

Now, Mr. Speaker, it has been charged repeatedly in the country and the House, that our surplus is being exhausted, and that our expenditure is rapidly and alarmingly increasing, and that this increased expenditure is the result of extravagance. Let us examine into the facts of the case and see whether these charges can be borne out or not. First, as to the surplus, I have a statement here of the annual surplus that has been reported in the Budget Speeches for the last ten years. I will begin with 1873, because that is the year in which the surplus debt was assumed, and the first year after the Trust Funds were taken in as assets.

SURPLUS.

December 31st, 1873.....	\$4,332,294 00
“ 1874.....	5,756,352 00
“ 1875.....	5,096,376 00
“ 1876.....	4,873,203 00
“ 1877.....	4,752,798 00
“ 1878.....	4,430,993 00
“ 1879.....	4,309,027 00
“ 1880.....	4,220,088 00
“ 1881.....	4,509,591 00
“ 1882.....	4,825,586 00
“ 1883.....	4,384,241 00

Now, Hon gentlemen will see that the surplus, while it has fluctuated, has not been gradually and alarmingly decreasing, and that in the first year, 1873, it was less than it is to-day. (Hear, hear.) It has its ups and downs, of course; we may have large receipts for our timber sales and other sources (Hear, hear, from opposition), in certain years, and then our surplus will go up. We may have exceptional expenditures, and our surplus may go down. The point I wish to make is this:—That when the charge is made, as it has been made, that our surplus is systematically,

gradually, and alarmingly decreasing, the figures I have given shew that the charge is unfounded. (Cheers.)

Now sir, when I said that an increase of surplus might result from sales of timber limits, Hon. gentlemen on the opposite said "hear, hear." It is true, sir, that the policy of the present Government has not been a policy of hoarding the surplus. We do not consider that the one end and aim of a Government is to accumulate a surplus, and boast of it. It is to take the custody of the Provincial finances and use them for the people's benefit. (Cheers.) But the charge has been made that by those timber sales we are wasting our patrimony—selling our property, as it were. I would ask, are the Hon. gentlemen going to condemn the Government for this? Sales from time to time must be made. Are we going to permit our timber to be wasted, burnt and destroyed by new settlers going into the country, rather than bring those limits into the market? We know that no parties are so interested in preserving those wooded districts from fire, as the holders of the timber limits themselves, who have paid large sums for the right to cut upon them. The Hon. member for West Toronto made this charge the other day. I now say that it comes with a very bad grace from a representative of the city of Toronto, to reflect upon the disposition of the resources from our Crown lands and timber. Has not a large portion of them been used in building up those railways that now form a network all through the Province, and I ask the people of Toronto, would they rather that these trees should be standing on the timber limits and that they should be without the Northern, the Nipissing, the Credit Valley, and the Toronto, Grey and Bruce Railways? (Hear, hear.) All these roads have been built by means of our Crown Lands Revenue. Do Hon. gentlemen think it possible that the ordinary receipts of the Government—the Dominion subsidy and our casual revenue—would have enabled us to carry on the ordinary work of government, to distribute the moneys we have distributed, or to give the aid to railways that we have given? I would ask the Hon. member for West Toronto to go back to his constituents and enquire whether they would prefer that these forests should have been left in the primitive state rather than that they should enjoy the improvements which the sale of them has enabled the Government to accomplish. (Hear, hear.) Again, would the people of this Province, outside of the city of Toronto, be willing to forego the increased aid to the maintenance of our asylums, or the increased grants for education, the larger aid we have given to agriculture and arts and

charities—grants which have relieved our local municipalities to so great an extent, and which we have been able to make by means of the large revenue from our Crown lands, and woods and forests—in order that our expenditure might remain as it was in 1871, and that our woods and forests might be preserved in their virgin state? I think not. (Cheers.) With regard to our Crown Lands revenue, although we have been receiving a large amount from our woods and forests, we have still a prospect of continuing to receive them; we have not yet exhausted them. These revenues fluctuate, but they are not systematically growing less year by year. I will take the same period as I have taken in regard to other matters. I give a statement of Crown Land revenue from 1873 to 1883.

Mr. MEREDITH.—Does it include receipts from sales of timber limits?

Mr. Ross.—Yes. The statement is as follows:—

CROWN LAND REVENUE.

1873.....	\$897,371 00
1874.....	524,358 00
1875.....	538,892 00
1876.....	534,446 00
1877.....	529,207 00
1878.....	360,384 00
1879.....	437,340 00
1880.....	616,311 00
1881.....	992,504 00
1882.....	1,095,152 00
1883.....	635,447 00

Or an average for the period of \$651,038, while the receipts for the past year have been \$635,447, or less than the average for the last ten years by about \$16,000. I think, therefore, we may conclude that for some years to come we shall still have a revenue from Crown Lands and woods and forests. Hon. gentlemen opposite say that included in this are the receipts from sales of limits. We must have sales of timber limits in the future as we have had in the past, and these sales will continue to swell our receipts. I am not aware that the Government have any intention of placing any timber limits on the market at present, but it is necessary and right that we should take into consideration the fact that we may have to do so in the future. The Canadian Pacific Railway is now being constructed through the northern part of our territory, and is opening up that section of the country

for settlement, and it may be that this territory so opened up will have to be placed on the market in order to save the timber from destruction by fire. I have a statement here of the area of our timber lands yet undisposed of, which I have obtained from Mr. Cowper, of the Crown Lands Department, who is thoroughly conversant with these matters. There is yet unsold an area of 20,000 square miles of valuable timber territory outside of the disputed territory, which latter I do not take into account at all.

Mr. HARDY.—We will take that into account next year. (Hear, hear.)

Mr. MORRIS.—Does this include the timber in the territory now traversed by the Canada Pacific Railway?

Mr. ROSS.—Those limits that I speak of are all south of the line of the C.P.R.,—not one acre north. We have since confederation sold only 7,420 square miles of timber territory, or about one-third of what we have yet undisposed of. We have received from these sales by way of bonuses \$1,567,378, the rate per square mile varying from \$117.79, the lowest, to the highest \$532, which was received at the last sale, in 1881. Now I think if we take as measurably correct the statements that have recently been made in pamphlets and publications as to the rapid exhaustion of the timber of the United States, we may assume that any timber territory we may have yet to dispose of will be greatly enhanced in value by such diminution in the United States, and I think we may safely say that every square mile of timber territory will realize—that is in bonuses—at least the sum that was realized at the sale in 1881, viz. \$532. Take it at the round figures of \$500 per square mile, and if we have 20,000 miles still to dispose of, as the necessities of the Province require from time to time, we have the round sum of \$10,000,000 to recuperate our surplus in the future. (Cheers.) That is for bonuses for the right to cut only, and exclusive of the timber dues upon the timber cut.

Mr. MEREDITH.—You must put up those new Parliament buildings.

Mr. ROSS.—Perhaps if I could satisfy the Hon. gentleman that my calculation is correct, he might give a reluctant consent that the Parliament buildings should be proceeded with.

Let us next see whether our expenditure is increasing with the alarming rapidity that has been charged. I have a table here which shews the expenditure from 1873 to 1883, under the Supply Bill. The following are the figures :—

EXPENDITURE—AS PER SUPPLY BILL.

1873.....	\$2,460,212 00
1874.....	2,342,339 00
1875.....	2,063,550 00
1876.....	2,155,185 00
1877.....	2,363,806 00
1878.....	2,408,534 00
1879.....	2,285,282 00
1880.....	2,243,663 00
1881.....	2,286,304 00
1882.....	2,427,230 00
1883.....	2,548,171 00

Or an average expenditure for the period of \$2,326,115. I wish to draw the attention of the House to the fact that in 1873 our expenditure was \$2,460,000, while last year it was \$2,548,000, or an increase of only \$87,000 in the ten years. (Hear, hear).

Mr. MEREDITH.—How much was spent in public buildings in 1873?

Mr. ROSS.—It is true we do not spend so much now in public buildings as we did then, but look at our expenditure with regard to Public Institutions' maintenance—look at that in regard to Agriculture, Education, Charities, etc. In these matters our expenditure has increased, while in other branches it has diminished. We have overtaken our wants in regard to public buildings to a large extent, and we are now giving the money to the people and reducing their local taxation in these other directions. In contrast to the course of this Government, I may point to the increased expenditure that has taken place in the Dominion. In 1873 the Dominion expenditure under the Consolidated Fund was \$19,174,648, and in 1883 it was \$28,730,157, or an increase in ten years of \$9,555,509, or *50 per cent.*, as against an increase of only about $3\frac{1}{2}$ per cent. in the Province of Ontario.

An Hon. Member.—The Dominion is larger now than it was in 1873.

Mr. FRASER.—So is Ontario. (Hear, hear, and cheers.)

Mr. ROSS.—I have also a statement of our receipts for the same period of 1873 to 1883, in preparing which I have eliminated the receipts on account of the Municipal Loan Fund and Drainage Debentures, because the one is capital and the other an exceptional receipt, and neither of them come under the head of ordinary revenue.

Mr. MEREDITH.—Why take 1873?

Mr. ROSS.—I am merely taking the decade from 1873 to 1883, as be-

ing a convenient period, and the one which I have been taking all through. I am not taking one period for one Statement, and another period for the next.

1873.....	\$2,932,564 00,
1874.....	2,611,550 00
1875.....	2,493,656 00
1876.....	2,423,372 00
1877.....	2,462,940 00
1878.....	2,244,133 00
1879.....	2,448,617 00
1880.....	2,400,200 00
1881.....	2,746,771 00
1882.....	2,880,450 00
1883.....	2,439,941 00

Or an average for the period of \$2,534,908 00.

Now while our receipts have varied somewhat from year to year, principally in consequence of the fluctuations in Crown Lands revenue, they have remained at a pretty regular and even amount—that is, that they are not increasing, but have remained almost stationary, as might be supposed from the fact that our subsidy and our casual revenue are of a stationary character, and, unlike our expenditure, are not subject to any increase.

(It being six o'clock, Mr. Speaker left the Chair.)

After recess, Mr. Ross resumed, as follows:—

Hon. gentlemen opposite, sir, say that the Government, because of the increased expenditure, have been guilty of extravagance. But it is unfair for them to point, as proof of this, to the increased expenditure under the main heads in our accounts, such as Administration of Justice, Education, Agriculture and Arts, Hospitals and Charities, and Public Institutions maintenance. In all these we admit there have been large increases of expenditure, but in that respect we have been merely giving back to the people the money that belonged to them, and relieving them of the burden of local taxation. If we want to bring the extravagance or the economy of the Government to a test, we must confine our attention to those classes of expenditure which would naturally shew an increase if extravagance existed. I refer to Civil Government and Legislation. These are closely connected with the salaries paid by the Government, and not, as the others are, with the return of moneys to the people, and we challenge in connection with Civil Government, a comparison with any country of our resources—with any Province, or with the Dominion itself. (Hear, hear.)

It is a natural thing that the cost of Civil Government and Legislation should increase as our population increases. That is to be expected. Let us therefore compare our increases in the cost of Civil Government and our increase in population, and see whether the one has been increasing relatively more than the other. Taking, as before, the decade 1873 to 1883, we find that in 1873 the expenses of Civil Government were \$156,646, but to that, for the purpose of comparison, we must add the cost of the Education Department, which at that time was classed under the head of Education, amounting to \$19,268, making the total cost of Civil Government in that year \$175,914. In 1883, this same service cost \$202,898, but from that must be deducted the newly established Board of Health, which was only brought into existence this last year, amounting to \$8671, leaving the expenditure for Civil Government in 1883 for the same classes of expenditure as in 1873, \$194,227. In taking 1883, I am taking the year that is most unfavourable to the Government. (Hear, hear.) I have already stated that in that year we had several exceptional expenses in connection with Civil Government, such as repairs and furnishings of Government House, of east and west wings of the Parliament Buildings, which swell the cost of Civil Government to a larger amount than usual, and a comparison is therefore less favourable than if I had taken any other year. The increase, then, under this head between 1873 and 1883 has been \$18,313. Our population, taking the census of 1871 and that of 1881—the nearest we can come to these years—has been 1,620,851, and 1,923,228 respectively, an increase of 302,377, or $18\frac{1}{2}$ per cent., while the increase in the cost of Civil Government is only $10\frac{1}{2}$ per cent. (Hear, hear.) If Civil Government had increased in the same proportion as our population, our expenses under this head would have been \$209,000. They are only \$194,227. Now let us see how our neighbouring Province of Quebec contrasts with Ontario in regard to the expenditure under Civil Government, and whether the increase during the same period there has been greater or less than with us.

In 1873, Civil Government in Quebec, cost \$135,106, and in 1882—the last year for which the accounts of the Province have been submitted—\$179,234, or an increase of \$44,128, being 32 per cent. as against our $10\frac{1}{2}$ per cent. (Hear, hear.) While their population only increased $12\frac{1}{2}$ per cent., as against our increase of $18\frac{1}{2}$ per cent., so that the comparison is largely favourable to Ontario. Now let us take Legislation. In Ontario, our Legislation in 1873 cost \$119,650, and in 1883 \$133,426. In this case

also, I may say that 1883 was an exceptional year, and the comparison is less favourable to our Province than any other year. Our increase in these ten years has been \$13,776, or at the rate of $11\frac{1}{2}$ per cent. In Quebec the cost of Legislation in 1873 was \$163,591, while in 1882 it has risen to \$237,134; but in justice to Quebec, we must make a deduction because of the elections which were held in the latter year, which cost \$38,407, leaving their net expenditure \$198,727, or an increase in the ten years of \$35,136, against ours of \$13,776, theirs being 21 per cent., ours $11\frac{1}{2}$. (Hear, hear.) Now let us see how the matter stands in comparison with Quebec, not merely with regard to the expenditure from one period to another, but with regard to the actual expenditure in that Province, and the actual expenditure in Ontario now. Comparisons of this kind have been made before. My predecessor the year before last made a comparison of this kind, but I don't think he did Ontario justice to the full extent which the facts warranted. Hon. gentlemen will find that in the Public Accounts of Quebec, all the expenses, such as furnishings, repairs and maintenance, fuel, light, gas, water, etc., in connection with the public department and Government House are not as with us, charged to Civil Government, but classed under the head of Public Buildings; therefore, in making a comparison between Quebec and Ontario as to the relative cost of Civil Government in the two Provinces, it is necessary to add to the expense in Quebec the cost of these services, and then see how it works out. Now, in 1882, the cost of Civil Government in Quebec, as they classify it, was \$179,234, but under the head of Public Buildings they have charges for repairs, etc., of the Public Departments, amounting to \$34,597, making a total of \$213,831 against our expenditure of \$187,081—that is to say that Quebec is to-day under a larger expense for Civil Government than Ontario by the sum of \$26,750, although their population is much less. The expense per head of population in Quebec for Civil Government, is 15 cents, in Ontario 9 cents. (Hear, hear.) Now let us make a similar comparison in regard to Legislation. In 1882 Quebec expended \$237,134 for this service. Deduct the cost of the elections as before, \$38,407, or a net expenditure for Legislation of \$198,727. If we add the cost of repairs of the Parliament Buildings, etc., \$9,502, we have a total expenditure for the purpose of Legislation in Quebec of the same character as we charge here under the same head of \$208,229, against a charge in Ontario of \$130,720 for the same years, or, in other words, the legislation of Quebec cost in 1882 \$77,509 more than ours did in the same

year. But it may be said that they have two chambers while we have only one. Their Legislative Council is an unnecessary extravagance. The Liberals there have taken the view that in the financial position of the Province of Quebec it is a matter of necessary economy that they should abolish their Legislative Council, but giving them credit for the expense of that Council, amounting to \$37,254, we have still a clear excess of \$40,255 in the cost of Legislation in Quebec over that in Ontario. So far as regards the Province of Quebec. Now let us take a glance at the Dominion and see how we compare with them. In 1883 the cost of Civil Government in Ottawa was \$986,721. At Ottawa, as already pointed out, they class the cost of repairs and maintenance of departmental buildings under the head of Public Buildings as they do at Quebec, and these charges therefore should be added in making a fair comparison with Ontario. The charge for fuel and water is \$115,505, for repairs and furnishings \$124,759, and for Rideau Hall \$31,222, making a total expenditure for Civil Government for the same classes of expenditure as with us of \$1,258,207. It might be said that a portion of this cost of repairs, etc., ought to be charged to legislation. I deduct therefore one third, as a very liberal estimate for that—say \$80,000—which leaves the net expenditure \$1,178,207, or 27 cents per head of the population of the Dominion as against our expenditure of 9 cents per head. (Hear, hear.) In 1873 the cost of Civil Government at Ottawa was \$750,874; in 1883 (I am not taking into account these items of repairs, etc., that I have added for the total cost), it was \$986,721, or an increase in ten years of \$235,847, or 31 per cent., while ours was only $10\frac{1}{2}$ per cent. (Hear, hear.) Then, (that the responsibility may be thrown upon the proper shoulders) let us narrow the comparison down a little. In 1878 Civil Government at Ottawa cost \$823,369; in 1883 it was \$986,721, or an increase of \$163,352, or at the rate of 20 per cent. for the five years of Tory rule, as against our increase of only $10\frac{1}{2}$ per cent. for the last ten years. I may here remark that during the years 1873 to 1878 while the Hon. Mr. Mackenzie was controlling the affairs of the Dominion, there was very little increase in the cost of Civil Government at Ottawa.

The comparisons I have made shew, I think, pretty conclusively whether we are extravagant or not, and they are the most effective means of meeting the charge. It is no use going back and making a comparison between 1871 and 1883, and taking the expenditures in a broad lump sum, as the Hon. gentlemen opposite do, without going into particulars. They are always

careful not to do that. We have heard them repeatedly endeavouring to make comparisons between 1871 and 1881 or 1883, giving the gross amount of expenditure under Sandfield Macdonald and the gross amount of expenditure under the present Government. Now the increases that have taken place in those years are no evidence of extravagance, as I have already shewn in regard to Public Institutions. While we admit that there have been large expenditures, I have directed the attention of the House to the increases that have taken place in Civil Government and Legislation, and shewn that these two branches, which would evidence extravagance, if such really existed, have been economically administered. But since the Hon. gentlemen are fond of 1871 comparisons, let us see what are some of the increases that have taken place since that year. I will take the six main heads of our expenditure, and shew what the increase has been between 1871 and 1881. Administration of Justice in 1871 was \$182,621; in 1881, \$278,057; or an increase of \$95,436, but a large proportion of that increase has been money given back to the municipalities. Hon. gentlemen are aware that a large portion of the expenses for administration of justice—nearly one-half—is expended by the municipalities and reimbursed to them by the Government, and the more, therefore, the Government repay the greater the relief to the municipalities. For Public Institutions in 1871, Sandfield Macdonald spent only \$171,423, while in 1881 we spent \$649,095, or \$477,672 more. Will any person state that that increase is an evidence of extravagance on the part of the Government? That increase is caused by the greater number of inmates in our institutions; but while these are increasing, we are lessening the number of such poor unfortunates maintained by private individuals and in gaols. Are the Government going to maintain their expenditure as it was in 1871, and say to these poor unfortunates, “we care not for your afflictions,” and to the people, “keep your insane at home without proper medical care—we will have nothing to do with them; provide greater accommodation for your criminals, too; we must maintain our expenditure as it was in 1871?” The care of these classes is a duty no Government can rid itself of; so long as they are there, we feel that we must be at the expense of keeping them. Again, the expense of Education in 1871 was \$351,306; we are now spending in additional grants to schools \$513,147, or an increase of \$161,841. Will any one say that this increase is an evidence of extravagance, or that it is not a proper expenditure of the public funds to the relief of local taxation? Then again, for Agriculture

and Arts, Sandfield Macdonald spent \$76,381. We are now spending in increased grants to Agricultural Societies and Mechanics' Institutes \$139,725, an increase of \$63,344, which goes to promote the interests of agriculture in the Province. For Hospitals and Charities Sandfield Macdonald spent \$40,260; we give \$80,600, or \$40,340 more. The expenditure on Colonization Roads in 1871 was \$55,409; in 1881 it was \$123,497, or an increase of \$68,088. Taking these six main branches of expenditure, in which we are mainly refunding to the people the people's money and relieving them of the burden of local taxation, we find the expenditure under Sandfield Macdonald was \$877,400, while in 1881 it was \$1,784,121, shewing an excess over what was given by Sandfield Macdonald of \$906,721—almost a million of dollars. Every one of these increases is brought in by Hon. gentlemen opposite when making a comparison between the expenditure of Sandfield Macdonald and that of this Government, and paraded as an evidence of extravagance on our part. The true method is to take into account, in any such comparison, the expenditure in regard to Civil Government and Legislation, the only two branches, as I have said before, that would shew extravagance, if it existed. Recollect this, that while this Government have done so much more for the people than the former Government, we have not been in receipt of any larger revenue. It has been stated before that Sandfield Macdonald did not receive the same revenue that we have during past years. Let us see whether this is true or not. Taking the revenue for 1868, 1869, 1870 and 1871, we find that in 1868 Sandfield Macdonald received \$2,366,810; in 1869, \$2,697,348; in 1870, \$2,500,695, and in 1871, \$2,333,179, or a total in those four years of \$9,898,032—an average annual income of \$2,474,000. Now our average receipts, as I stated before, for the ten years, have been \$2,534,908, or an excess per year over what Sandfield Macdonald received of only \$60,998, and yet we have returned these large amounts to the people. Now we do not counsel increase in regard to expenditure, but we do say that increases must from time to time take place as our population increases and the development of the Province proceeds. We must recollect also that our subsidy is stationary. Our population in 1861, upon which the payment was made at the time of Confederation, was 1,396,091; now it is 1,923,228. Our subsidy then was calculated upon the basis of eighty cents per head of the population, and the specific grant brought it up to eighty-six cents per head, while the subsidy at the present time is

only at the rate of sixty-two cents per head. If taken at the rate of eighty-six cents per head at the present time, our subsidy would be increased by \$455,000, or would amount to \$2,651,872. Quebec is urging upon the Dominion Government an increase of subsidy upon the basis of population. They claim that it ought to be increased every ten years when the census is taken. I am free to confess that I think there is a very strong element of justice in that contention. Our subsidy at Confederation was fixed with a due regard to what our necessities for local expenditure would be with the population we had at that time, and taking into account the then revenue of the Dominion. Now, although our population has increased so largely, our subsidy remains the same. What was the Dominion revenue in 1867? It was then only \$13,716,786, while last year it had risen to \$35,794,649. Ontario has never pressed for an increase of subsidy on the same ground as Quebec, for this reason, that we know that whatever increases might be given to one Province a proportionate increase must be given to the others also, and a large proportion of these increases will be raised from the taxation of the people of Ontario. We had felt that, and for that reason have not pressed our demands; but if Quebec gets an increase of her subsidy from the Dominion Government, as a matter of justice we are entitled to an equivalent. (Hear, hear, and cheers.) Let there be no question about that; if they get it, we must. My own impression is that the Dominion Government will not be able to resist those claims, and that we will have an increased subsidy which will enable us to continue the liberal expenditure to the municipalities which we have made in the past.

I may just as well notice here those changes which I have made in the Public Accounts and the Estimates which Hon. gentlemen have in their hands. I have referred to the practice at Ottawa and Quebec of charging the whole of the expense of maintaining and furnishing of the Departmental buildings, not as part of the expense of Civil Government, but under the head of Public Buildings. I think that system is a preferable one to ours. It is rather unfair and scarcely right, if large repairs are necessary for the maintenance of our Legislative Chamber and the offices attached to it that they should be classed as part of the expense of legislation. It is unfair that if we have, in any one particular year, expended large sums in maintaining the east and west wing, or Government House, this expense should be charged under the head of Civil Government, to which they do not necessarily belong. I have therefore advised, and have carried out in

the estimates, a change in this respect, and have classed these expenditures, as at Ottawa and Quebec, under the head of "Maintenance and Repairs of Government and Departmental Buildings." I have also made another change, in which I think the House will concur. The Agricultural College and School of Practical Science have always hitherto been classed under the head of "Public Institutions." Now all our Public Institutions—asylums, reformatories and prisons—are under the charge of one particular Department, and are subject to inspection of the Inspector of Prisons and Asylums, with the two exceptions I have mentioned. I propose to place the Agricultural College under the head of "Agriculture," and the School of Practical Science under the head of "Education," to which they more properly belong. Our expenditure for Public Institutions will henceforth comprise only our asylums, prisons and reformatories.

Now, with regard to the expenditure for the ensuing year, my Estimates, which are in the hands of Hon. gentlemen, will be found to be liberal. They are in excess of the first Estimates of 1883 by \$87,790; but we intend this year to keep within the appropriations. I think it is much better that we should make our Estimates liberal and try to keep within them, than to under-estimate our requirements and then have to over-expend. We expect to spend less than we have asked a vote for. In all our former Estimates we have never expended up to the full amount of the Supply Bill. Last year, as I told you, our expenditure was some \$57,000 less than the vote we took, although the expenditure that year was exceptional, and this year, also, there are some exceptional items. There is an amount for the Elliott award of \$35,074—a disputed claim which has been running ever since the erection of the Central Prison. It has now been settled, and the amount is placed in the Estimates; but it is an exceptional item, and not a part of the ordinary expenditure. We have another item of \$36,000 for arrears of expenditure on Colonization Roads. (Hear, hear.) That arose in this way. The Commissioner of Crown Lands has found it necessary to have in connection with his Department a bank account separate from that of the Province. It has been so ever since Confederation. Suppose we take a vote of \$123,000, as we did last year, for Colonization Roads. As soon as that is exhausted, the Auditor notifies the Commissioner of Crown Lands that the expenditure has reached the amount of the vote. We know well enough that in all the Departments of the Government there must be over-expenditures some years, and the practice has

been for the Commissioner to pay these over-expenditures, and in this way there has been an overlapping from one year to another for the last four years, and it is better that the whole of these arrears should be wiped out.

Mr. MEREDITH.—What are these over expenses paid out of?

Mr. Ross.—They are paid out of a special account that the Commissioner of Crown Lands keeps. Of course every payment that is made cannot be passed by an Order in Council at the time, and it has been found a matter of convenience for the Commissioner to have a separate account in the bank.

Mr. MEREDITH.—These are over-drafts?

Mr. Ross.—Over-drafts on that special account in the bank which are covered by cheques from the Treasury Department as the accounts are given in. It is much better that the whole over-expenses should be brought up and a vote taken to cover the whole, which amounts, in all, to about \$36,000, therefore, Hon. gentlemen will see that this is a exceptional amount.

Mr. MEREDITH.—What interest do you pay on these over-drafts?

Mr. Ross.—No interest is paid on them. They only run a short time. Then again, there is an increased expenditure this year in connection with Public Buildings, but this item also is abnormal.

Our estimated revenue for the current year is as follows :—

ESTIMATED RECEIPTS FOR 1884.

Subsidy.....	\$1,116,872 80
Specific Grant.....	80,000 00
Interest on Special Fund.....	136,696 62
	<hr/> \$1,333,569 42

CROWN LANDS REVENUE.

Crown Lands.....	\$100,000 00
Clergy Lands.....	15,000 00
Common School Lands.....	25,000 00
Grammar School Lands.....	5,000 00
Woods and Forests.....	550,000 00
	<hr/> 695,000 00

PUBLIC INSTITUTIONS REVENUE.

Lunatic Asylum, Toronto.....	\$35,000 00
“ London.....	10,000 00
“ Kingston.....	4,000 00
“ Hamilton.....	6,000 00
“ Orillia.....	1,400 00

Penetanguishene Reformatory.....	\$500 00	
Mercer Reformatory.....	5,000 00	
Deaf and Dumb Institute.....	500 00	
Blind Institute.....		
Central Prison.....	52,000 00	
	<hr/>	114,400 00
Education.....	\$33,000 00	
Interest on Investments.....	75,000 00	
Casual Revenue.....	34,000 00	
License Fund.....	200,000 00	
Algoma Taxes.....	4,000 00	
Law Stamps.....	64,000 00	
Drainage Assessment Fund.....	25,000 00	
Municipal Loan Fund.....	10,000 00	
Toronto Mechanics' Institute.....	7,700 00	
From Insurance Companies, to defray expenses of In- spection by Provincial Inspector.....	3,000 00	
From Counties, to defray expenses of taking Lunatics to Asylums, Boys to Reformatory, etc.....	6,000 00	
	<hr/>	461,700 00
		<hr/>
		\$2,604,669 42

Now, in this statement the House will notice a very material alteration in one item, viz., that of the License Fund. Our receipts from licenses last year were \$96,000. We estimate that we will have this year \$200,000. We propose increasing the fees for liquor licenses, and in doing so we believe we are following in the wake of public sentiment. (Hear, hear.) Public feeling is strongly marked in that direction. An agitation for high licenses has taken place in the United States during past years, and several of the States have adopted large increases on the former fees they collected. In Canada this agitation has been taken up by the temperance people, and very strongly urged upon the Government, and we think we are acting in the direction of public sentiment in giving effect to these petitions to increase the fees for liquor licenses. I may give the House the increase we propose to make: On wholesale licenses the present fee is \$150; we propose to make it \$225. In cities, tavern and shop licenses at present cost \$100; we propose to increase them to \$160. In towns they are \$80; we intend to increase them to \$110. In townships they now cost \$60; we propose to make them \$75. Vessel licenses will be increased from \$100 to \$125. By these changes the Government expect to receive at least the increased revenue placed in the estimates. I shall not discuss this subject just now, but leave

it to be taken up by the Hon. Provincial Secretary when he introduces the Bill to carry the proposed alterations into effect. My duty is merely to take into account the increased revenue we expect to receive.

Mr. MEREDITH.—Do you not anticipate that there will be a diminution in the number of licenses issued?

Mr. ROSS.—I am making an estimate for the possible decrease in the number of licenses. At the increased rates mentioned, if we issue the same number of licenses as last year, we might expect to have a total revenue of \$215,000 or \$216,000, but making an allowance for a possible reduction, I only estimate our revenue altogether at \$200,000 from this source.

Now, sir, the estimates that have been submitted are merely for the expenditure under the Supply Bill. Outside of the Supply Bill we have certain annual expenditures which we are called upon to meet, particularly the annual payments under the Railway Subsidy Act, amounting each year to \$242,154. Now all the Roads to which aid has been granted, save the Sault Ste Marie (and it is problematical whether that will be gone on with), have been completed with the exception of some eight miles, so that we can count now on having arrived at the full amount that we shall have to make up yearly under present circumstances. These payments will continue for the next eight years at the same sum, and then gradually reduce until 1902, when they will expire altogether. Now, the benefits that the Province derives from railway construction are not benefits merely to be derived by the present generation; they extend to the future also. These great highways of commerce have an important influence in developing the trade and resources of the country. Other generations which are to come will to a very large extent—perhaps more than we do now—reap the benefit of that expenditure. At the present time we must recognize the fact that our expenditure and receipts are about on a par. There may be fluctuations from year to year, but we have arrived at the point at which the expenditure under our Supply Bill fully equals our receipts. It is therefore wise and proper that we should make provision to defer a portion of our railway liabilities, and the Government therefore propose to ask the House to give them the power to take up the certificates that are now issued as they fall due, and to issue new certificates running for a period of years. (Hear, hear.) The Government believe they can issue new certificates upon a basis, at the very highest, of $4\frac{1}{2}$ per cent. interest. From enquiries I have made I find those now in existence, which were based upon 6 per cent., are being sold and negotiated to

give the purchaser a rate of only $4\frac{1}{2}$. I therefore think we are safe in saying we will be able to issue new certificates on a basis of $4\frac{1}{2}$ per cent., and by taking power to issue them payable in forty years in equal amounts, or as it were, permanent equal annuities for forty years, we will be able to spread this expenditure over a period of forty years, in a way that will not increase the liabilities of the Province or affect the surplus, but will enable the Government to meet the various demands for legitimate purposes of expenditure even if we do not get an increased revenue. The Government will have the power, if we ever have an increase of subsidy or other revenue, to pay the certificates off in cash, but at the same time they will take authority to replace these certificates as they fall due by new ones, at a rate not exceeding 5 per cent., and we calculate on $4\frac{1}{2}$, or perhaps 4 per cent. I may just mention in illustration that the certificates which fall due this year amount to \$242,154, and under the scheme proposed we will take these up by an issue of new certificates running for forty years, under which our whole expenditure this year would be \$13,105; next year it would be \$26,210; and so it would go on increasing until it reached the maximum of \$154,883.

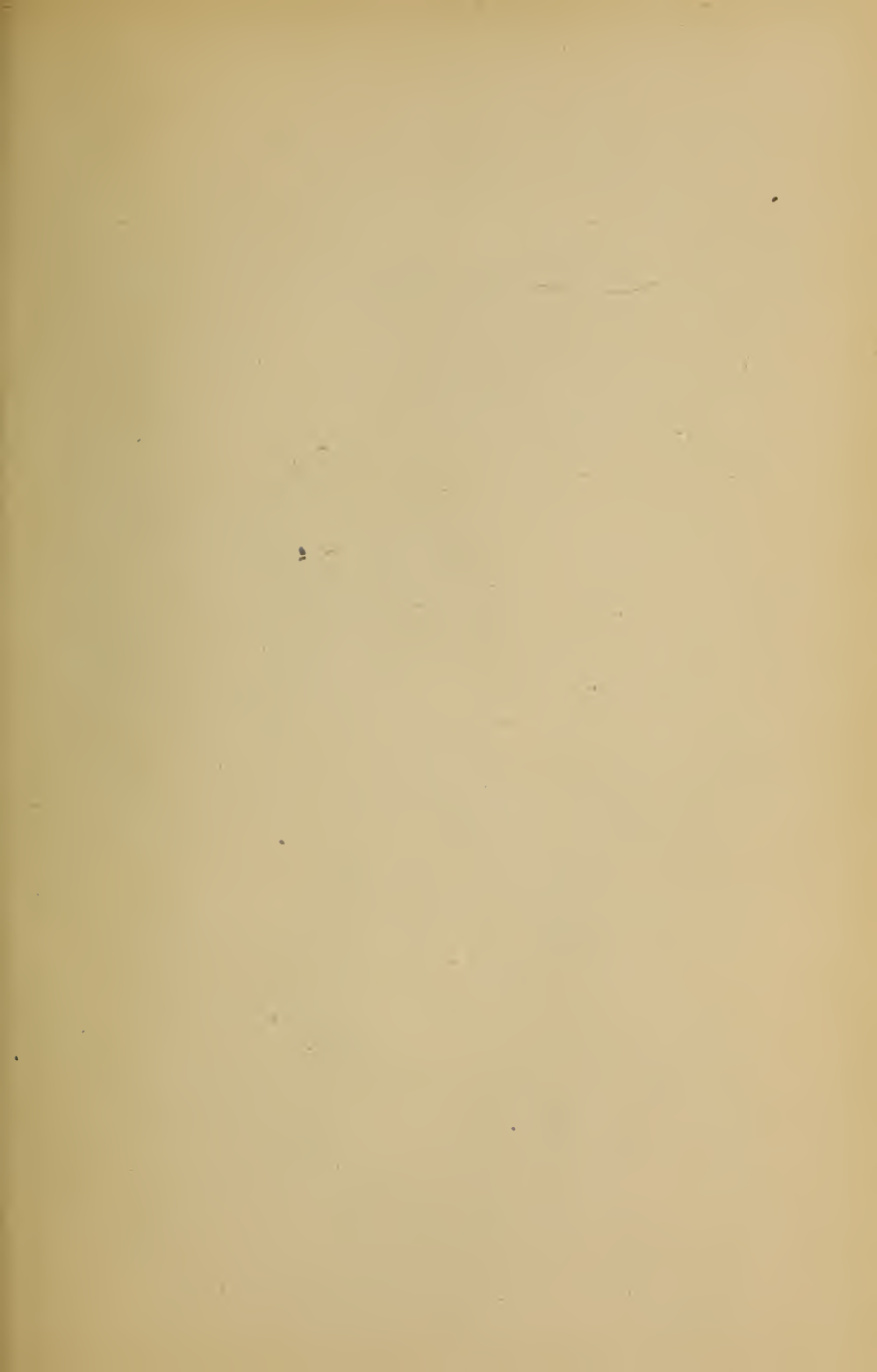
Now, Mr. Speaker, it will be noticed that our estimated receipts and estimated expenditures do not balance each other. There is a difference of about \$40,000, and it might be said by some Hon. gentlemen "Why don't you add a little to your estimated receipts, and take a little off your estimated expenditure, and thus make a balance?" Mr. Speaker, I prefer to be candid and frank with the House (Hear, hear); I prefer to place our revenue at an amount which I think we shall receive, and our expenditure at an amount which I think we shall not exceed. I would have preferred in this, my first financial statement, to present to the House figures which would shew a handsome balance of receipts over expenditures; but, as I stated before, we have now reached that point at which our receipts and expenditures are nearly balanced, and we must expect that, from year to year, fluctuations will take place that will make our expenditures greater than our receipts. But the Province is not standing still, neither can the Government. (Hear, hear). To be in accord with the progressive spirit of the age, the Government must, from time to time, take up new expenditures that will be forced upon them by public opinion. The Province is increasing in population, in commerce, in agriculture, in manufactures, and in education; and the Government must be prepared to give assistance in

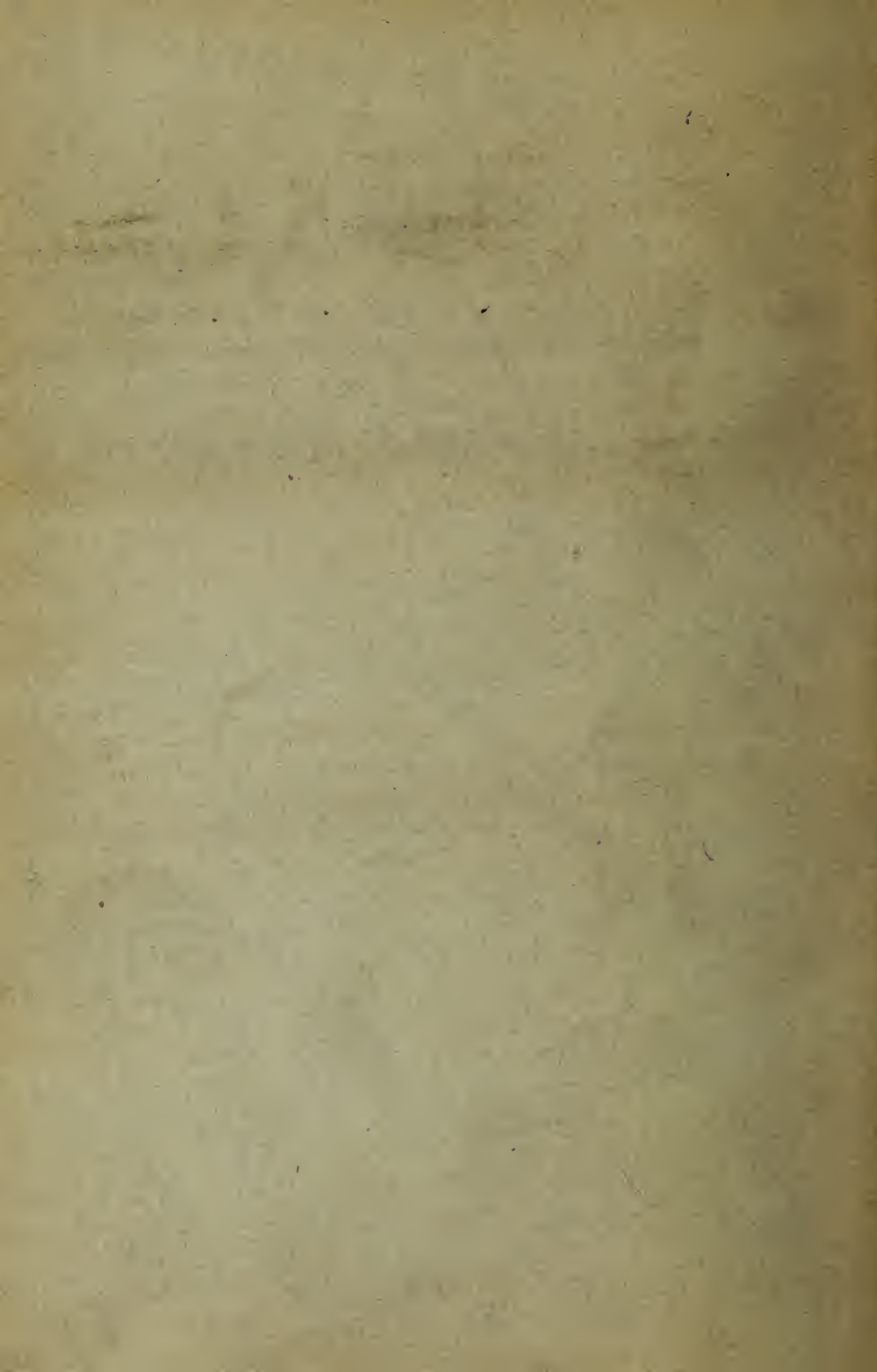
legitimate directions to help the onward march. This duty, I claim, that the Government of my Hon. leader has fulfilled. What Province in the Confederation, what country of the same age, of the same resources, or population, can shew a better record of Governmental duties performed or obligations fulfilled? (Hear, hear): Let us note a few of these. Material assistance has been given to local improvements, and local taxation has been relieved by the distribution of over \$3,000,000 to the municipalities; Grants in aid of railways, to the amount of over \$4,000,000, have covered the Province with a network of these necessary highways, which have done so much towards stimulating commerce, encouraging manufacturers, and enhancing the value of the products of the husbandman. The afflicted of our population have not appealed in vain for that care and consideration which their misfortunes entitle them to, and, in evidence of this, I point to the five Asylums for Insane and Idiots, erected at a cost of \$1,500,000, in which over 3,000 of these unfortunates are carefully and humanely treated at an annual expenditure of \$375,000 (Hear, hear). The obligations of the Government towards the criminal and depraved classes have been recognized to be, not merely the retributive duty of punishment, but the higher duty of reclamation and reform, hence the establishment of our system of industries at the Central Prison, the education and training of juvenile offenders at the Reformatory, and the reclamation of fallen women in the Mercer Institute, costing in capital \$775,000, and an annual expenditure of \$140,000. The physically afflicted, the disabled, the destitute, have an irresistible claim upon our sympathies. That claim has been acknowledged by grants to hospitals and charities now amounting to \$93,000 annually (Hear, hear). The Province is also proud of its liberal educational system. It is pointed to by other and older nations as a model for imitation. Scattered through the length and breadth of the land, wherever there are youthful intellects to be trained, are 3,000 Common Free Schools, with nearly 7,000 qualified teachers. In our cities, towns and villages there are 106 High Schools and Collegiate Institutes, two Normal Schools for the training of teachers, a school of Practical Science, and Upper Canada College, in Toronto, and, above all, as a part of our State education, to which only I have referred, we have the University, which should be in its work and educational facilities, as it is in architectural beauty, second to none on the continent. The contribution of the Province to this educational work is now upwards of half a million dollars yearly (Hear, hear). Neither

has the Government been neglectful of that class of our population upon whose labours and prosperity mainly depends the progress and future enrichment of the Province, I refer to our farmers and agriculturists. The Province has established an Agricultural College, where the work done in the way of instruction and experiment has attracted the attention of agriculturists all over America and Europe, and which has taken a place in the work of spreading practical information second to none on the continent. The Provincial Grants to this Institution, to the Agricultural Societies and kindred Associations are over \$100,000 yearly. All this has been achieved mainly under the directing guidance of the Hon. the Attorney-General, and it is a record of which he might well be proud—a record which will entitle him to the lasting gratitude, as it has on three successive occasions secured to him, the confidence of the people of this Province (Cheers).

I must apologise to the House for the length of time I have detained it to listen to figures, which to many must be dry and uninteresting, but some of the matters I have brought before it are of great moment to the people of this Province. I refer particularly to the Dominion accounts. I should have been pleased to have been in the position at this time to report these matters settled upon a fair basis, but I hope if I am spared and privileged to present another financial statement, that I will next year be in a position to congratulate the House upon these long unsettled accounts having been finally and satisfactorily adjusted, and that the balance at our credit with the Dominion Government will be found to be, not merely the \$2,900,000 which I have placed in the estimates, but the \$5,000,000 or more to which I claim we are entitled, and that our revenue from wood and forests has largely increased, in consequence not only of the greater prosperity of the lumber trade, but also on account of these receipts being swelled by revenue which belongs to us, but which is now either being wasted or collected by the Dominion, in that great territory in the North-West, which we claim to be ours—which has been awarded to us by an impartial and competent tribunal, and which we all trust before another session, will be, by the highest legal authority in the empire, confirmed to us for ever.

Mr. Speaker.—I move that you do now leave the Chair, and that the House go into Committee of Supply.





FINANCIAL STATEMENT

OF THE

HON. A. M. ROSS.

1885



TORONTO:

PRINTED BY "GRIP" PRINTING AND PUBLISHING COMPANY.

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TORONTO:

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FINANCIAL STATEMENT.

OF THE

HON. A. M. ROSS.

LEGISLATIVE ASSEMBLY,

TORONTO, Friday, 13th Feb., 1885.

MR. SPEAKER,—Before making the motion with which I shall conclude, it is my duty on the present occasion to lay before the House the financial position of the Province for the past year, and to state what have been our receipts and expenditures, what are our requirements for the coming year (for the present year, rather), and also to make such references to any financial transactions of the Province as may appear necessary to give the House a full understanding as to how the Province stands financially. First I will lay before the House our receipts for the past year, 1884, which have been as follows :—

RECEIPTS FOR 1884.

Dominion of Canada :—

Subsidy.....	\$1,116,872 80	
Specific Grant.....	80,000 00	
		\$1,196,872 80
Interest on Capital held, and debts due by the Dominion to Ontario	\$207,903 86	
Interest on investments	57,521 79	
		265,425 65
Crown Lands Department.....		570,305 41
Algoma Taxes		2,215 85
Education Department	\$37,069 35	
do School of Practical Science	900 00	
		37,969 35
Law Stamps.....		66,599 98
Licenses.....		211,353 71
Drainage Works Assessments.....		23,618 37

Public Institutions:—

Toronto Lunatic Asylum.	\$29,990 33	
London do do	10,335 18	
Hamilton do do	4,024 98	
Kingston do do	3,319 38	
Orillia do do	1,916 10	
Reformatory for Females ...	3,808 37	
do do Boys.....	618 39	
Central Prison	53,615 57	
Deaf and Dumb Institute.....	583 38	
	<hr/>	\$108,211 68

Casual Revenue:—

Fines, etc.....	\$4,776 29	
Surrogate Court Fees.....	616 00	
Division do do	4,449 68	
County do do	964 10	
Insurance Co's. Fees.....	450 00	
Official Gazette.....	9,792 06	
Ontario Statutes.....	524 54	
Private Bills	3,800 00	
Provincial Secretary's Department.....	7,389 80	
Incidentals.....	663 98	
	<hr/>	33,426 45
Municipal Loan Fund		4,476 20
Kingston L. A. Cap. Acct.....		753 36
Lock-up, Rat Portage, do		20 00
Mimico Farm do		625 60
Agricultural and Arts Association, <i>re</i> alterations Agricultural Hall		2,000 00
		<hr/>
		\$2,523,874 41
Drainage Debentures.....		46,037 37

Annuities:—

Proceeds of Sale of \$13,400 of 40-year annuities	\$248,191 71	
5 per cent. interest on \$119,058 84, deposited to meet December certificates...	2,451 96	
	<hr/>	250,643 67
Total		<hr/>
		\$2,820,555 45

Now, hon. gentlemen will notice that I have made the classification a little different in this statement of receipts from that which appeared in former statements laid before the House; thus, instead of including the interest on the funds held by the Dominion as part of the subsidy, I have taken it into interest account, to which it properly belongs, as interest on funds held to the credit of the Province.

There are one or two matters in this statement to which I wish to draw the attention of the House. In the first place, it will be noticed by those hon. members who have the statement of last year in their possession as to what our anticipated receipts were, that we have received less by \$81,038.78 than we anticipated. Last year I referred to the deficiency in our Crown Lands revenue of 1883, explaining that we were then deficient by the sum of \$114,000 in what we had expected to receive from that source, and calling the attention of the House to the fact that it was owing to the depression in the lumber trade and the consequent reduction in the amount received from timber dues at that time. In making up our estimates for 1884, we hoped that we would see an improvement in the year's operations, and we therefore estimated that we would receive a larger sum than what we realized in the previous year. I am sorry to say, however, that that depression in the lumber interest has continued, in fact has become rather more intensified than it was at that time, and therefore there is a still further reduction in the revenues from that source.

We estimated that our receipts from the different sources of Crown Lands revenue would be \$690,000, whilst they have only been \$570,305, or a deficiency in our revenue from that Department of \$119,695. Considering, Mr. Speaker, that during the past year we have been passing through a period of depression which I think is acknowledged upon all hands to have been more severe than we have experienced for many years; considering that that depression, that dulness in trade, has existed not only in our own Dominion but in England and the United States, with whom we have large trade relations, I think, Sir, that taking these circumstances into consideration, the amount that we have received from that source may be considered very fair, although much less than we had anticipated.

MR. MEREDITH.—I would ask the hon. gentleman if the arrears due by the holders of timber limits are more than they have been previously?

Hon. Mr. Ross.—I made the same enquiry myself. I believe that they are, although I have not the figures to give the House. I believe it is the practice of the Crown Lands Department not to collect the dues, even although the timber is cut, until it is disposed of or shipped, and in consequence of the depression, and the lumbermen not being able to dispose of their lumber, the arrears are, I believe, larger than they would otherwise have been.

There are some lesser fluctuations in regard to the receipts to which it will not be necessary to call attention. However, I dare say the House would like to know how our anticipations have been realized in regard to revenues from licenses. We anticipated a revenue from licenses of \$200,000. It will be seen that we have received no less than \$211,353.71. From the statement that has been handed in to me by the officers of the License Department, it appears that our estimated revenue, which was based upon the amount we might receive from Ontario licenses alone, has been very nearly exactly what we anticipated. The amount derived from the issue of licenses issued by the Ontario Board was \$200,949.93, and we received in addition \$10,403.90 from licenses issued by the Dominion Board, making the total of \$211,353.71. The statement shows that the Dominion licenses were principally confined to ordinary hotel and shop licenses. There were issued under the Ontario Board 3,217 hotel licenses, and 182 by the Dominion Board. The number of shop licenses issued by the Ontario Board was 666, and by the Dominion Board 14.

It will also be noticed in the statement of receipts, that we have a new item which did not appear in our former statements of Provincial revenues, viz., the amount of \$250,643.67 from the sale of annuities authorized under the statute of last session. This amount is the proceeds of the sale of forty years' annuities of the amount of \$13,400 per annum, sold since that time, under that Act. Tenders were asked for the purchase of those annuities, and it was asked that the tenders should be for annuities

payable either in Canada or England. The most favourable was one received where the amount was made payable in Canada, and it was accepted, the rate being at a small fraction below $4\frac{1}{2}$ per cent., say $4\frac{1}{2}$ per cent. (Hear, hear.) Last year when I introduced this matter, in making my financial statement, I stated that I anticipated that that would be about the rate at which we would be able to sell our annuities, and I will quote my language on that occasion :

“The Government believe they can issue new certificates upon a basis, at the very highest, of $4\frac{1}{2}$ per cent. interest. From enquiries I have made I find those now in existence, which were based upon 6 per cent., are being sold and negotiated to give the purchaser a rate of only $4\frac{1}{2}$ per cent. I therefore think we are safe in saying we will be able to issue new certificates on a basis of $4\frac{1}{2}$ per cent.”

That statement of what our expectations were was accepted by the House as satisfactory, at least, no exception was taken as to the price stated as likely to be realised. The price we have obtained has been a very fair one, but at the same time if we have to place future securities on the market, of the same character, I expect that we shall be able to do still better. It may be asked why we have adopted the annuity plan. Well, sir, one reason is, and we think it is a reason that actuates most municipal institutions, that it is better to have a portion of these securities falling due each year, and by that means avoid the trouble and expense of keeping account of and re-investing sinking funds. We conceive that the doing of this saves expense and cost connected with these sinking funds, which are items of considerable importance. It has been contended by some that it would have been better, and that we would have been able to realise a better price for the securities, had we issued them for an amount sufficient to take up the whole of the outstanding railway certificates, viz., something over \$2,000,000. That, I say, has been contended, and that by doing so we should have been able to sell them in England for a better price than we obtained in this country. Now such a

proposition, Mr. Speaker, would not, I think, commend itself either to the House or to the country. It was never intended, as I explained when I introduced the measure, that we should, every year, take up these railway certificates by the issue of fresh annuities. That was not necessarily to be the case. It was only, as I explained then, that from year to year as a deficiency in our revenue might exist, we might, if necessary, renew these certificates by the issue of new ones, but in any year in which the receipts might be sufficient to retire the old certificates, they might be taken up as heretofore and paid out of our Consolidated Revenue Fund. It would therefore have been very unwise to have issued new certificates for the whole of those falling due, some of them not for eighteen years to come, merely for the purpose of getting a large loan placed on the London market, and having the securities quoted upon the stock exchange there. Another objection to that course would be, that we know that the rate of interest is growing less year by year. We know that a few years ago the Dominion Government was obliged to pay 6 per cent. on loans made to them. We know that they are now getting their loans for 4 per cent.; nominally, the issue is at $3\frac{1}{2}$, but I believe the rate is really 4 per cent. The old certificates which were issued by authority of the House, and which we are now renewing, were based upon 6 per cent. upon the investment, while those we have been selling are at $4\frac{1}{2}$. It would be folly, therefore, to anticipate by a present issue the taking up of annuities not maturing for eighteen years to come, but it is only by doing so that we would have effected a loan of such magnitude as would enable us to place it upon the London stock exchange. I may mention also that we received tenders at the rate of $4\frac{3}{8}$ per cent. if the amounts had been payable in England, and it may be asked why we did not accept a higher tender payable in England instead of accepting a lower one payable in Canada. I think, sir, it will be obvious to everyone that it is much more advantageous, because we thereby escape many charges for commission, brokerage, etc., that we do not have to pay on those payable here. I say it is far better that we should

have these certificates payable at the Treasurer's office here, and escape all those incidental charges which are connected with a loan payable out of this country. I may mention that at the present time the Dominion Government pay their financial agents a commission of one per cent. for the placing of all new loans. Besides that, they pay for brokerage, stamp duty, etc., one-half per cent. more; for all interest payable in England, one-half per cent.; on investments of sinking fund, three-fourths per cent.; and on redemption of loans, one per cent. In addition to that, they also pay any losses incurred in exchange, in remitting money either to or from England. Now all these commissions are saved to this Province by our having these securities payable here at the Treasurer's office, and all these things must be taken into account.

Mr. MEREDITH.—Does not the purchaser usually re-sell these securities on the English market?

Hon. Mr. Ross.—I do not know whether they are re-sold or not, but that has no bearing on my argument. I am speaking of what charges would be entailed on the Province were we to make our loans payable there. If we did so, our interest would have to be remitted there, our debentures sold there, they would have to be redeemed there, and our sinking fund would have to be invested there.

Now, I may just as well say in regard to exchange, that I find that the Dominion Government remitted last year \$5,116,790 to England, upon which they paid as exchange or discount \$15,863, or three-tenths of one per cent. for the cost of transmitting the money there. Then a portion of their sales in England had to be brought to Canada to meet liabilities here. They drew on their agents in England to the extent of \$3,815,100, and paid a discount of \$28,499, or three-fourths per cent., for getting the money here. These are very serious and heavy charges, but the Dominion has to submit to them in consequence of making their loans payable in England. Besides that, I may mention that they maintain an officer there at a cost to the country last year of over \$40,000, who, I believe, it was intended

should relieve the Government from many of these charges, but he has not done so.

Now, Sir, as regards the price which we have obtained from the sale of these securities, I have looked at quotations of securities as published in the *Economist*, and I find that similar securities have been rated at about the same. I find, for instance, that Cape of Good Hope debentures bearing four and a half per cent. interest are sold on the English market at from 95 to 97; Mauritius bearing four and a half per cent. are sold at 102; I find that New Zealand debentures bearing four and a half per cent. are saleable at from 101 to 103; I find Quebec debentures bearing four and a half per cent. are saleable at from 101 to 103. These are all loans payable in England, and you will see that although there is a small premium to the extent of about one and two per cent., that would all be absorbed by the first cost of making the sale in England. So that I say, taking these as criterions, we have received as good a price as has been obtained even where they are payable in the old country.

There is one other item in the receipts to which I wish to draw the attention of the House. It is the item of interest derived from capital and debts held by the Dominion, \$207,903.86. That amount hon. gentlemen will see is \$71,207 more than we have received before. That was a half year's interest on funds placed to our credit by the Dominion and paid in July under the Act passed last year at Ottawa. It will be recollected that last year I drew the attention of the House, in referring to the accounts that had been submitted by the Dominion, to the fact that they had charged us interest on the excess of debt between 1867 and 1873, before that debt was assumed by the Dominion. It will be recollected that I contended that by the construction of the Act of 1873 we were entitled to be relieved from that interest as from the date of 1867. Hon. gentlemen will bear in mind that by the Confederation Act it was provided that the Dominion should become legally liable for the whole of the debts of the old Province of Canada, and that they should assume altogether and relieve the Province to the

extent of \$62,500,000. In 1873 it was found that the debt of the late Province of Canada amounted to \$73,000,000, and upon application by some of the provinces an Act was passed relieving the provinces from that excess of debt, the Dominion assuming the whole. By the construction of that Act I claimed last year that the wording of it was really to relieve the provinces from the date of 1867 instead of from 1873, but in the accounts they have charged us with interest from 1867 to 1873, and I claimed that we ought to have credit to the extent of about \$5,000,000, Ontario's share being over \$2,500,000. Now that contention of mine was scouted at the time by hon. gentlemen opposite (hear, hear); they disputed the position I took. They stated "that it was a construction wholly unwarranted, and one not to be listened to for a moment." They said "that we had no possible right to the amount," and "that it would be a very gross breach of faith on the part of the Dominion if they were to grant it." Well, sir, I am glad to be able to inform the House that the interpretation which I placed upon that Act has been accepted by the Dominion Government (applause), and that the proportion of interest which had been charged against us in those accounts has been credited by the Dominion to Ontario in the sum of \$2,882,289.

Mr. MEREDITH.—I suppose that is a case of Quebec domination?

Hon. Mr. FRASER.—No. It is Ontario justification.

Hon. Mr. ROSS.—Now, hon. gentlemen I suppose will contend that the interpretation which I put upon the Act was really not that accepted by the Dominion, but I think that if I read the Act passed in the Dominion House last session it will be clearly seen that it was so, in fact, the whole Act was based upon that contention. There would be no reason for it otherwise. It recites the Act of 1873, and is virtually an interpretation of that Act. The Act reads: "Whereas the subsidies payable under the British North America Act, 1867, to the several provinces thereby united into one Dominion respectively, were re-adjusted and increased by the operation of the Act of the Parliament of Canada, 36 Vic.,

“chap. 30, but the said increase was allowed only on and from the “first day of July, 1873, etc.” Then it goes on to provide that “in the accounts between the several provinces and the Dominion, “the amounts by which the yearly subsidy to each was increased “by the Act 36 Vic., chap. 30, shall be calculated and allowed to “Ontario and Quebec (jointly, as having formed the late Province “of Canada) as if the said Act had directed that such increase “should be allowed from the day of the coming into force of ‘The “British North America Act, 1867.’” Now, that was my contention, that the Act itself stated that the amount named in the British North America Act should be read as if the increased amount was a part of the Act. It was upon that interpretation and construction that we were to be relieved from that debt. I say that the Dominion have accepted that interpretation. If this was merely an act of grace, giving us an additional subsidy, there would be no justification for giving it to Ontario and Quebec jointly upon the basis of the division of debts as fixed by the award, and not upon population. The equivalent that was given to the three smaller provinces was given upon the basis of population. I say also there is no defence for the division that the Dominion Government has made between Ontario and Quebec except on account of its being in connection with the debt due by the late province, and because it was deemed to be a carrying out of the intention of the Act of 1873.

Now, it was contended also by hon. gentlemen opposite that it was not in the interests of the Province of Ontario to ask this, because they contended that Ontario has to contribute from two-thirds to three-fourths of the revenue of the Dominion, and therefore by making application for this increase, Ontario would be contributing to the Dominion more, perhaps, than she would be receiving if we only got our receipts in proportion to population. That was the contention of hon. gentlemen opposite. But the Dominion have imposed increased taxation within the last three years, and have been able to claim that they have a surplus of receipts of upwards of \$17,000,000. The possession of that surplus revenue

has no doubt enabled and has prompted the Government to find new outlets for that increased revenue that they are receiving, and we have found applications made from various quarters as to how this surplus should be disposed of. It was well known at that time that Quebec was making urgent demands that they should be allowed some consideration in regard to their railways, on account of the amount they had expended upon certain roads, or should be relieved in some other manner. It was perfectly well known that if Quebec took a firm stand in a position of that kind, that they would be successful. I stated last year that I had no doubt that Quebec would be successful, but that if an increase of subsidy were granted to Quebec, Ontario must take the ground that she was entitled to an equivalent. The Dominion Government did relieve Quebec in two separate ways. In this case, out of a total of \$7,172,000 given under this Act of 1884, Ontario is to get \$2,882,289, and yet last year hon. gentlemen opposite held that we should not contend for this. But have they uttered one word of condemnation upon that other scheme that was carried through the Dominion Parliament last session, whereby Quebec got a return of \$2,400,000 for aid granted to local railways, and Ontario was refused a single dollar for the same thing? Have they found fault with that? Was it not much better, Mr. Speaker that this Province should take the position that if Quebec should get some more relief from the financial embarrassment under which she was labouring, it should be upon some basis whereby Ontario should receive an equivalent? Hon. gentlemen opposite, I suppose, if they had occupied our position on this side of the House, would have refused this \$2,800,000 and allowed Quebec to take her proportion. But I say, Mr. Speaker, that it is much better that we should press our claims when we see other provinces pressing theirs, and when we see that they are getting some advantages, endeavour to get an equivalent ourselves. I will, however, refer to the railway question later on.

I shall now give the House a statement of the expenditure for the past year. It has been as follows:

EXPENDITURE, 1884.

Civil Government	\$179,825 23
Legislation	141,440 28
Administration of Justice	331,026 69
Education	531,651 00
Public Institutions—Maintenance	600,216 15
Immigration	43,369 92
Agriculture, Arts, etc.	195,362 64
Hospitals and Charities	94,218 83
Repairs and Maintenance, P.B.	70,149 91
Public Buildings	235,517 24
Public Works	27,717 40
Colonization Roads	185,772 55
Charges on Crown Lands	103,006 53
Miscellaneous	84,754 05
Refunds	46,006 70

Or a total expenditure under the Supply Bill of . . . \$2,870,035 12

Then there are certain classes of expenditure that are outside of the Supply Bill, for which we do not take an estimate. I will give them in detail.

Drainage Debentures	\$ 71,998 04
Aid to Railways	253,783 41
Annuities	6,700 00
Municipal Loan Fund	150 00
Pensions to Widows	3,284 84
Drainage of Swamp Lands	1,600 00
Land Improvement Fund—Special	338 26
	<hr/>
	\$337,854 55

Making the total expenditure under the Supply Bill and otherwise \$3,207,889 67

Mr. MEREDITH.—At what rate are the Drainage Debentures issued?

Hon. Mr. ROSS.—These are all 5 per cent. Debentures.

Now, there are one or two items in this statement to which I may perhaps briefly refer. It will be noticed that our expenditure under Civil Government has very closely, I may say almost exactly, approximated what our estimate of expenditure was. We estimated \$179,797, and we have expended \$179,825. In Legislation it will be seen that there is a large over-expenditure; it is more particularly under the head of Sessional Clerks, Printing and

Stationery, Now these expenditures are yearly increasing. As I stated last year, it is an expenditure which is to a certain extent more under the control of the House than of the Government. As I pointed out before, when lengthy returns are applied for, no matter from which side of the House, the applications cannot be acceded to without the employment of considerable additional assistance in preparing and expense in printing them. We also find that there has been an increase last year in the cost of printing our ordinary departmental reports and other reports that are not purely departmental but which are for the information of the country. In 1884 we found that we had eight volumes of sessional papers. The largest number we have ever had before was six. Then I find that the cost of printing and distributing the reports alone,—annual reports and reports under the head of Agriculture, etc., amounted last year to \$34,552. Well, now, all these reports are valuable. They contain information which is useful to the public. It would be impossible to withhold this information from the public, but at the same time it must be recognized that we cannot do this without involving considerable cost. In all the different branches under my own department, I have directed the attention of the officers to the necessity for the condensation of their reports, and in some cases that a lesser number should be distributed, but the House will itself have to a very large extent the control of the distribution, and I would invite the attention, co-operation and assistance of the Printing Committee of the House to this question, with a view of seeing whether this item can be reduced consistent with what is due to the country in the way of imparting useful information. I would not say that it is desirable that this information should be withheld from the country, even if the cost be large. Last year, after the Government had made provision for the distribution of the Agricultural College report, the value of which has been recognized time and again, the House itself took the matter in hand and asked for a further edition, as the public were looking eagerly for them, and that has been one reason why the expenditure

under the head of Legislation has exceeded the estimate by the amount it has.

Then under the head of Administration of Justice, it will be seen that there has been something of an over-expenditure. That is mainly due to the amounts returned to counties. As explained before, the Criminal Justice expenditure is largely under the control of the municipalities, and the Government reimburse the municipalities a certain portion of that expenditure. Although in the previous year this had only amounted to \$103,000, we took an estimate for \$123,000, anticipating, as we had always found to be the case, that when times are hard crime is on the increase, yet we found in spite of our calculations that our estimate was too low, and instead of paying this \$123,000, we have actually returned to the municipalities \$132,081, or an over-expenditure of \$8,281 that we have given to the municipalities in connection with Administration of Justice over and above what we had anticipated.

Then there has been an over-expenditure in the item of Immigration, and I may say, without going into details, which I suppose the Minister in charge will do hereafter, that a large part of that over-expenditure is for the carriage of immigrants in the previous year. The accounts had not been sent in by the railway authorities and therefore had not been paid that year, consequently our expenditures in 1884 were increased by this amount, which properly belonged to 1883.

Under Agriculture and Arts there is an over-expenditure, and I may state that the remark that I have already applied to Legislation applies here. About \$8,000 has been for extra reports not charged to Legislation but charged under the head of Agriculture and Arts. I find that these reports amount to about \$7,914. There was the butter-making report, \$1,630; college report, \$3,034; reports of the fruit-growers, entomological society, dairymen's association, forestry, \$3,219, or a total of \$7,914, which has been expended in regard to these agricultural reports, causing an over-expenditure of between \$4,000 and \$5,000.

Mr. MEREDITH.—You have not touched the over-expenditure of \$14,000 for the Agricultural Farm?

Hon. Mr. Ross.—There is an over-expenditure in connection with the experimental farm. Last year we asked the House for a grant of \$25,000 to purchase thorough-bred stock. It was impossible to tell exactly in an estimate of that kind what the cost would turn out to be. A great deal had to be left to the judgment of Professor Brown of the Agricultural College, under whose charge these purchases were made, and the expenditure in connection with the transportation of the stock and the retaining of them in quarantine for three months before they could be brought to the farm, under the regulations of the Dominion Government, made our expenditure, as will be seen by the public accounts, \$27,000 instead of \$25,000. Then, as I said, there is an expenditure of some \$4,000 or \$5,000 for reports, and the farm has cost somewhat more than we anticipated it would.

Then, under the head of Miscellaneous, it will be seen that there is a considerable over-expenditure. That is largely due to the expenditure imposed upon us in connection with the boundary dispute, an expenditure having been incurred of \$29,327, when we only estimated an expenditure of some \$10,000.

Mr. MEREDITH.—The hon. gentleman has passed over a large increase under Repairs and Maintenance of Departmental Buildings.

Hon. Mr. Ross.—Yes. It was a new account, a sort of experiment in character, whereby we placed Repairs, etc., under a separate account instead of having them charged under the departmental accounts, as formerly. It will be noticed that the over-expenditure has been largely in connection with the Parliament Buildings here and Government House. This subject has been referred to before, and it is hardly any use to mention it again now. A building such as this requires a very large expenditure for repairs to maintain it. Hon. gentlemen have the opportunity of seeing that for themselves, and I have no doubt will say that the repairs are not of that extravagant character which could be condemned.

There is also an over-expenditure in connection with the northerly and north-westerly parts of the province. That ex-

penditure has been forced upon the Province partly by the unwarranted invasion of what was known as the disputed territory, now disputed no longer. (Cheers.) An invasion instigated from what quarter it is not for me to say, but which threw upon the Government a largely increased expenditure in maintaining the authority of the Government in those parts. This over-expenditure has amounted to \$6,703. It is not my place, Mr. Speaker, nor do I desire at the present time, in making this financial statement, to reflect upon the causes that led to this over-expenditure. That question can be discussed another time, and I do not wish to say anything that may be looked upon as of a hostile spirit. A part of that expenditure was also incurred on account of the turbulence that existed in consequence of the construction of the Canadian Pacific Railway in those parts, which caused an increase in expenditure which could neither be avoided nor foreseen.

I might refer very briefly to a large item of our expenditure, viz.: the maintenance of public institutions. Last year I gave the House tables shewing the comparative expenditure from year to year, and the deduction which I drew from those tables was that I believed that in regard to our Reformatories, the Central Prison, and the Institutions for the Deaf and Dumb and Blind, the Province had arrived at that position when the demands of that class of unfortunates had been overtaken. That although variations might take place from time to time, sometimes a little over and sometimes a little under the expenditure as at present, still we would not find in regard to these institutions that continuous and progressive increase that had existed in former years. That deduction was disputed by hon. gentlemen opposite. I am happy to say that from the returns given me by the Inspector of Prisons, which will appear in his report, another year's experience has added force to my contentions. I find in regard to these institutions (I am not referring now to our Insane and Idiot Asylums) that the numbers that were confined and taken charge of in 1884 were less than in 1883, and these again, as I pointed out last year, were less than

they had been in 1881 and 1882, or not increasing at any rate, so I think it may be assumed that in the cost of the maintenance of these unfortunate persons and criminals, we have arrived at the maximum expenditure, and any increases we may have in future years will be mainly due to the minor fluctuations that may take place from year to year, or to the increase of population.

I am sorry to say that in regard to our Lunatic and Idiot Asylums, these deductions do not hold good,—that we are still year by year finding a steady and progressive increase in the numbers admitted and in the cost of maintaining them, and this year, as will be seen by the estimates, the Government will find themselves obliged to ask an amount from the House for the purpose of providing additional accommodation for these classes. In connection with this matter I may refer very briefly to the fact that the Province of Ontario deals in the most liberal manner with these unfortunates. There is no other province or country that deals more liberally with them than we do (hear, hear). I have requested the Inspector of Prisons to make enquiries and give me the result as to what the practice is in regard to other institutions of a similar character in the United States and also in our own provinces, and from the returns he has given me, particulars of which will be given in his report, where hon. gentlemen will see them in detail, I find that in the United States there are seven States that assume the whole cost of the maintenance of their lunatics; I find that there are 18 in which the whole cost is thrown upon the municipalities from whence they come; and in 13 they divide the cost, a portion being paid by the State and a portion by the municipalities sending them. We in Ontario, because our revenue enabled us to do so, have maintained these lunatics at the whole cost of the province, and I think we have maintained them in a manner not only creditable to the people of the Province, but which has elicited the encomiums of those who are capable of judging, who have visited the institutions. It has been found that in no other Province or State are institutions conducted with more ability or efficiency than those in the Province

of Ontario. I last year mentioned in regard to the cost that our institutions were maintained at as low an average cost as any others. I think I may also say, speaking of the other Provinces of the Dominion, that Quebec throws the cost of the maintenance of lunatics upon the municipalities from whence they come. In Nova Scotia the Government only contribute \$12,000 towards the support of the asylum, which is placed under the charge of a commission. They throw the whole of the rest of the expense, both of the building and the maintenance, upon the municipalities from whence the inmates come.

Now, in regard to over-expenditures. There was a good deal of over-expenditure last year, and I suppose it will be one of the matters to which hon. gentlemen opposite will take exception. It is always likely that over-expenditure will take place from time to time, and there is the more likelihood that such will be the case in times of depression than at any other time. Hon. gentlemen will see that at Ottawa, although they have an overflowing treasury, claiming a surplus that they do not know what to do with, and therefore have no inducement to under-estimate their expenditure, yet we find that last year there have been very large and heavy over-expenditures on the part of the Dominion.

Mr. WHITE.—That is no excuse for you.

Hon. Mr. ROSS.—I do not claim that it is. I am only pointing out that in all expenditures under Government management, there will be over-expenditures from time to time. It is impossible for a Government to foresee at the commencement of a year that certain exigencies will arise which may call for an increase, and these increases have to be met or the public interests will be jeopardised. The Government have to take the responsibility when these over-expenditures arise, of meeting them, trusting to the House to see that they have been justifiable.

I will now place before the House a statement of the financial position of the Province as on the 31st December, 1884, as regards assets and liabilities:

ASSETS OF THE PROVINCE.

1. *Direct Investments:—*

Dominion 6 per cent. Bonds	\$500,000 00	
Market value over par value.....	50,000 00	
	<hr/>	\$550,000 00
Drainage 5 per cent. Debentures, invested 31st December, 1884	\$241,602 48	
Tile Drainage 5 per cent. Debentures, invested 31st December, 1884....	26,239 61	
Overdue Interest on above.	1,649 90	
Drainage Works — Municipal Assessments	278,779 77	
	<hr/>	548,271 76
		<hr/> \$1,098,271 76

2. *Capital Held and Debts Due by the Dominion to Ontario, Bearing Interest:—*

U. C. Grammar School Fund, (2 Vict., Cap. 10)..	\$312,769 04	
U. C. Building Fund, (18 Sect., Act 1854)	1,472,391 41	
Land Improvement Fund, (See Award).....	124,685 18	
Common School Fund, (Consol. Stats., Cap. 26)—proceeds realized to 1st July, 1867, \$1,520,959.24—after deducting Land Improvement Fund Portion belonging to Ontario	891,201 74	
Capital declared owing to the late Province of Canada by Dominion Act, (47 Vict., Cap. 4)—\$5,397,503.13, bearing Interest at 5 per cent. Ontario's proportion on basis of Award as advised by Finance Department.....	2,848,289 52	
Ontario's Share of Library, (see Award).....	105,541 00	
	<hr/>	5,754,877 89

3. *Other Debts Due to the Province:—*

Balance <i>re</i> Municipal Loan Fund Debts.....	\$86,976 32	
“ <i>re</i> Mortgages, Mechanics' Institute, Toronto, and Land at Orillia Asylum.....	7,905 08	
“ <i>re</i> Mimico Lots.....	6,527 58	
	<hr/>	101,408 98

4. *Bank Balances:—*

Current Accounts.....	\$196,507 22	
Special Deposits	71,579 75	
	<hr/>	268,086 97

Making a total of..... \$7,222,645 60

Now, as regards the first item in the foregoing statement,—Dominion bonds—the premium that is taken into account ought to be the real market value of the security. The \$500,000 of Dominion securities that we hold are not quoted in any stock list

that I have seen. The Province of Ontario holds, I suppose, the whole of that issue which is now outstanding.

An Hon. MEMBER.—How long have they to run ?

Hon. Mr. ROSS.—They do not mature till 1893, but I say that on looking at the stock lists I do not find that particular issue quoted in any of them, but I find that in the assets and liabilities of the Dominion there is a 6 per cent. issue amounting to some \$500,000 still outstanding, and I presume that that is the one we hold, though the dates are not given, and I suppose that is the reason it is not quoted in the stock lists, because there are none on the market ; so in arriving at the market value I have taken the market value of other securities bearing the same rate of interest and falling due about the same time. From quotations from the same official authority before quoted, viz., the London *Economist*, I find on the 3rd January there are quoted British Columbia securities bearing 6 per cent. falling due in 1894, just a year after ours, 110 to 112 ; I find New Brunswick 6 per cent. securities are quoted at 110. They are falling due two years before ours, and yet they are worth more than ours are valued at. Then I find Victoria debentures falling due in 1891, two years earlier than ours, are quoted at 109 to 112. And taking all these into consideration, not to exaggerate what would be the value of ours, I have placed the premium at the minimum of 10 per cent. upon their face value. Then we come to—

LIABILITIES OF THE PROVINCE AT PRESENT PAYABLE.

1. Balance due to Municipalities <i>re</i> Surplus Distribution.....	\$2,000 45
2. Balance due to Municipalities, <i>re</i> Land Improvement Fund (balance of \$124,685.18, see Award).....	3,608 55
3. <i>Quebec's share of Common School Fund made up as follows :—</i>	
Collections on account of Lands sold between 14th	
June, 1853, and 6th March, 1861	\$838,557 52
Less 6 per cent. cost of Management	\$50,313 45
Less one-quarter for Land Improvement	
Fund.....	209,639 38
	<hr/>
	259,952 83
	<hr/>
	\$578,604 69

Collections on sales made since 6th March,	
1861.....	\$302,657 68
Less 6 per cent., cost of Management	18,159 46
	<hr/> 284,498 22
	<hr/> \$863,102 91
Quebec's proportion according to population of 1881.....	357,370 21
Total.....	<hr/> \$362,979 21
Leaving a surplus of assets after deducting liabilities presently payable.	<hr/> <hr/> \$6,859,666 39

(Loud applause and Opposition dissent.)

Now, hon. gentlemen opposite, I suppose, from the manner in which they have received this statement, will be inclined to dispute that we are entitled to claim this amount of \$2,848,289 as part of our assets. I suppose that that is the ground that they will take, but I think when they come to read the statute under which that amount is given to Ontario, and to see the manner in which it is dealt with by the Finance Department at Ottawa, they will themselves come to the conclusion that it is clearly an asset of the Province which we have a right to take into account. I referred before to the Act of 1884, and declared that it was really an interpretation of the Act of 1873. I said that there was no other ground upon which the division which has been made could have been defended than the one that it is a carrying out of the Act of 1873. There is no ground upon which it could be given to Ontario and Quebec jointly unless in connection with the debt due by the late Province of Canada, because this interest was charged to the late Province of Canada in the Dominion accounts, and this is a return of that which had been charged to us and which had been deducted from the subsidies payable to the different provinces. Now let us read what the Act says is to be done : It says "the total amount of the half-yearly payments which would have been made on account of such increase from the 1st July, 1867, up to the 1st January, 1873, with interest on each at 5 per cent. per annum from the day on which it would have been so paid to the 1st day of July, 1884, shall be deemed *capital owing to the said provinces, respectively.*" (Hear, hear.) Now if this

is capital owing to the provinces, it is a debt due to the provinces and it is clearly stated that it is capital owing to the provinces which is to be taken into account in the settlement of the accounts with the Dominion. Is it therefore not an asset to be taken into account?

Mr. MEREDITH.—I would ask the hon. gentleman if it is not another invasion of Provincial rights?

Hon. Mr. ROSS.—No, it is an acknowledgment of Provincial rights. The Act distinctly says that it is capital owing to the provinces, and they have made the division, as I stated before, upon the basis of the award, while they have given an equivalent to Manitoba, British Columbia and Prince Edward Island upon the basis of population, clearly recognizing that it is merely carrying out what was the intention of the Act of 1873, and a matter to be settled and taken into account between the Province and the Dominion in the settlement of their accounts. Then how does the Finance Department at Ottawa treat it? If it is not capital owing to us, if we are only entitled to the interest as part of our annual subsidy, surely we have no right to have the principal credited to us in the accounts of the Dominion, yet we find in the Public Accounts of 1884, that it is entered to our credit. The Province is directly credited with it, and its liability on account of the debt of the old province is reduced by that amount. Are we, therefore, not entitled to claim it as an asset now? In none of the former Acts providing for increases to Nova Scotia or New Brunswick are the words used "capital owing." In all these other cases they treat it as and call it an increase of subsidy, but in this case it is treated as "capital owing" and is credited to the respective provinces. I have no knowledge of what was in the minds of those who framed the Act, but I think I can see why it was placed in that way. Some of the provinces are indebted to the Dominion, and by making this capital owing and applying the amounts placed in the Act to the credit of their respective accounts the Dominion collects the balances owing.

Mr. MEREDITH.—Why don't you get a cheque for the amount granted Ontario?

Hon. Mr. Ross.—We don't want it; it is invested there, drawing five per cent interest. We cannot make a better investment.

I say, therefore, Mr. Speaker, that by the action of the Finance Department at Ottawa themselves, they have treated it as a payment to the Provinces to which they are entitled to credit in the settlement of accounts; and, I say again, that if any of the Provinces who had overdrawn their accounts with the Dominion are entitled to have these amounts placed to their credit as a set-off against their over-drafts, we, who have not overdrawn, are as clearly entitled to take credit for this \$2,800,000 as an asset of this Province.

Then, also, in the statement of assets and liabilities given by the Dominion in the Public Accounts of 1884, hon. gentlemen will find in the statement as given there, which includes the balances due by the Provinces to the Dominion, which they take into account as an asset in 1883 and 1884, that the amounts of these debts are decreased by the amounts which these Provinces are credited with. Are we, then, not clearly entitled to treat it as an increase of *our* assets? Most assuredly we are; there can be no question about that.

It is but right, however, to say to the House that there are, in addition to the liabilities I have named, other liabilities of the Province. I do not dispute that, but I have made a distinction in deducting the liabilities from the assets. I have deducted those liabilities that are at present payable. All the liabilities which I have named here are liabilities which we may be called upon to-morrow to pay. There are other liabilities which were never intended to be considered as present liabilities. In regard to the old railway certificates, the Government took the ground that they could not, out of the present revenue, undertake to pay the amount of the two or three or four thousand dollars a mile granted to these railways at the time, but they said, "We will give you, in the future, certain amounts, yearly or half-yearly, in aid of the construction of your railways," and the certificates

were issued for the convenience of these railways, for the purpose of enabling them to raise money upon them if they so desired, but they were always intended to represent a future liability, to be paid out of revenue of the year in which they fell due. Now, that position has been disputed by hon. gentlemen opposite; I suppose it will be disputed yet; but I think you will find an exactly similar liability on the part of the Dominion, which, Mr. Courtney, the Deputy Finance Minister, treats exactly in the same way. In looking over the introductory remarks in the Dominion Accounts of 1884, it will be found that Mr. Courtney refers to the increased liability made during the year in connection with railway subsidies. He says, "In addition to the liabilities referred to, the several Provinces forming the Dominion were credited in their debt account with \$7,172,297, and liabilities were incurred as subsidies to the various railways under the Act 47, Vic. chap. 8, amounting to \$6,176,400, which amount does not include the two sums of \$170,000 and \$30,000 per annum for fifteen years."

Now here, by the way, is another evidence in addition to what I have already adduced, in support of our being entitled to claim this \$2,800,000 as an asset, when Mr. Courtney treats the total capital as a liability of the Dominion. If it is a liability there, it is an asset here. The Dominion Government in granting railway subsidies, granted, as we did, direct payments to some of them, but, in the case of two of them, they took the course taken by this Legislature in former years, and agreed only to give to one road \$170,000 a year, and to another \$30,000 a year, but Mr. Courtney does not treat this as a present liability. He expressly says that he does not include them. Now, I say that this shows that according to Dominion practice these are not to be treated as a present liability, but a liability of the future.

Then, we have the liability on account of annuities issued last year. They are not a present liability, either; they cannot be demanded at the present time, but it is a liability falling due

in the future, and if we were merely a commercial corporation, a banking or loan society, we would be entitled to take these yearly liabilities and capitalize them against ourselves. That would be one mode of doing it, and if we were to take that course and follow that pursued by such institutions as I have named, we could shew a far better record than I have shewn, because if we were on the one side to shew the capitalization of our liabilities, we should be equally entitled to capitalize these yearly sums which are guaranteed to us, and of which we are in receipt as guaranteed revenue. We would be entitled to capitalize the sums received from the Dominion Government as subsidy. Now, what would that amount to? We would be entitled to claim, as the present value of these subsidies, \$23,000,000. But we do not do so. In all financial statements, whether government, municipal, or of financial institutions, the system of book-keeping prevails which is applicable to their several requirements. The same systems cannot be adopted, and the same statements cannot be given. I say, in the case of a commercial or loan company they would also take into account, as part of their capital, the buildings they own, the land they own, the debts due upon the land, etc. Now, we might upon that basis take into account all the unsold real estate belonging to the Province, all the public buildings which have been erected. Formerly the Dominion Government did count among their assets the value of all their buildings erected, but of late years they have discontinued it. We might also claim the unpaid balances upon crown lands, but we do not do so. But there is one point to which I might refer, as shewing that annual liabilities of that kind are not taken into account by the Dominion Government. Some years ago, at the time the Washington Treaty was negotiated, certain timber duties that formerly had been collected by the Province of New Brunswick, were abolished and given up as part of the equivalent that was given by Canada in that settlement. The Province of New Brunswick applied to the Dominion

Government for the reimbursement of the amount. The Dominion Government voted New Brunswick an annual payment of \$150,000 in perpetuity in lieu of these timber duties. Have they ever capitalized that and treated it as a liability? But I wish to guard myself in this way. I consider these annuities and these railway certificates as liabilities, but I do not give them in the statement I have given now, because I have only given the liabilities which are at present payable, which we might be called upon to make good to-morrow. If we were to come to a settlement with Quebec at once, that Province might demand their proportion of the Common School Fund, and we would be obliged to make it good. But those which are payable out of annual revenue we do not take into account in this statement of liabilities that we may say are presently payable. They are liabilities, however, which are payable in the future.

Now it has been the practice for some years in these discussions upon the Financial Statement, in fact, the general course of criticism has been upon the other side of the House, to draw comparisons of the expenditure now and the expenditure under Sandfield Macdonald. I think, Mr. Speaker, that it is about time that these comparisons should cease. I trust that hon. gentlemen on the opposite side of the House have become tired of them. The hon. member for West Toronto stated last year that these comparisons were useless—there was no doubt they were. Do you suppose that you could shew extravagance against the Government of the present time by comparing the expenditure of the Province of Ontario now with what it was in 1871? It would be futile and useless, and I do not propose to make any such comparison. But hon. gentlemen have also drawn attention frequently to the surplus that was, as it were, bequeathed by the Sandfield Macdonald Government to Mr. Mowat, claiming that while he handed over securities to a large amount that were available at that time, we have reduced that surplus to a large extent, or at least have not accumulated surplus as rapidly as he. We do not mean to say that we have accumulated a surplus of a million

or a million and a half year by year, as they say Sandfield MacDonald did ; but I think it is nothing but right to look at the bequest made us by Sandfield, and see what has been done with it. It has been claimed that Mr. Mowat has not accumulated a surplus equal to what he did. Mr. Mowat has never recognized it as being the sole aim of a Government to raise a surplus. His pride and glory has been, not to accumulate a surplus, but rather to expend the money in the interests of the people, as far as possible relieving local burdens, and meeting the legitimate demands of a growing Province. Now in 1872, Sandfield handed over to the succeeding Government in investments and bank balances \$3,810,964, and if we add to that what was found to be the collectable balance due by municipalities under the Municipal Loan Fund, viz., \$1,273,840, we find there was handed over \$5,084,804, less what was then Quebec's proportion of the Common School Fund that had been collected up to that time, \$105,800, or a total of investments and debts due to the Province at that time of \$4,979,004. In this, I may say, I am not taking into account the Dominion Trust Funds, which I will leave out of the account in this comparison. Now what was done with that \$4,900,000 ? The very first act of Mr. Mowat was to distribute to the people, in direct payments to the municipalities, \$3,388,068.

Mr. MEREDITH.—How much of that did you get back under the Tilley Act ?

Hon. Mr. ROSS.—We did not get back any of that. By the Tilley Act we only got relief to the extent of the interest on the debt assumed. We have got that now, but I am not going to take that into account in making this comparison, because that is one of the funds in the hands of the Dominion. I thought the hon. gentleman disputed that we are entitled to this \$2,800,000 ; but now he wants to charge us with this sum. But I say that there was handed over to Mr. Mowat in investments, etc., \$4,979,004, and his very first act was to distribute \$3,388,068. His next was to give in aid to local railways, \$3,911,880. In

these two sums alone he gave back to the people \$7,299,948, or \$2,320,944 more than he had received altogether from Sandfield Macdonald. (Hear, hear.) Now, I would ask hon. gentlemen if the people were not better satisfied with this disposition of the Sandfield Macdonald surplus than if we had retained it and were able to show them a larger surplus now? The people have already, on more than one occasion, expressed themselves, and I am satisfied that they will say that it is far better that Mr. Mowat should have relieved local burdens, far better that he should have aided these local railways than have kept these funds and hoarded them up in the provincial treasury in order to be able to say that we have got a very large surplus at the present time.

I might say this, that there are only three items of our governmental expenditure that are absolutely necessary to be undertaken by a Government, viz., Civil Government, Administration of Justice, and Legislation; all the rest might be handed over to the municipalities, and could be provided for by them if the Government were disposed to throw the onus upon them. If the receipts of the Province were so restricted, they might refuse grants to Education, Agriculture and Arts, Administration of Justice in counties, Hospitals and Charities, and all these are now branches of governmental expenditure. The Government might either reduce these grants or relieve themselves of them altogether and throw them upon the municipalities, if their whole purpose and aim were to accumulate a surplus. If such had been the policy of Mr. Mowat, he would have been able, by that means, to have shewn to-day a surplus of twenty or twenty-five millions, and yet the whole argument of hon. gentlemen opposite is directed particularly in that line, as if because our expenditure now is increased, because our actual bank balance is reduced, that therefore there has been extravagance on the part of Mr. Mowat, whereas we claim it as our greatest glory that we have, so far as our provincial revenue will allow, met all reasonable demands, and still have a nice little nest egg in the provincial treasury. (Applause.)

Now, in regard to these particular branches of expenditure which I say might be considered to be purely local if the Government were disposed to throw the burden of them upon the municipalities, Mr. Mowat has paid for education, \$6,598,251 ; we have paid for the maintenance of public institutions, in supporting the insane and idiots, as well as criminals, \$5,759,416 ; in aid to agriculture and arts we have distributed \$1,423,315 ; to hospitals and charities, \$858,366 ; in aid to counties towards payment of the expenses of local administration of justice, \$1,649,150 ; in colonization roads, which might also be claimed to be a burden which might be thrown upon the localities, \$1,393,481, or a total in these branches named of \$17,681,979. (Hear, hear.) I have not included public buildings and works, because they are of a mixed character, although there is a large portion of it which might be classed in the same way. In regard to the maintenance of criminals and lunatics, we know very well that for many years our gaols were crowded with lunatics who were maintained there at the expense of the counties. We know that in many cases these unfortunates were maintained at the expense of their own families. All these have been relieved now, and I am happy to say that on the 31st December we had overtaken all reasonable demands applied for from the gaols, although we must provide increased accommodation required for the coming year.

Now, perhaps it would be as well to see how these grants to these different branches have been increased since 1871. I say that Mr. Mowat, if he had kept in view as the main object of his government the accumulation of a surplus, might have said, " we won't increase the grants to these institutions beyond what they were in 1871." That would have satisfied hon. gentlemen opposite ; that is what they say we should have done. But we have increased the grants and are expending more just because it is necessary that we should do so ; because the people want it ; because it is relieving local burdens to do so. Take education ; in 1871 Sandfield Macdonald gave in grants to education, \$351,306 ; if this payment had been continued at the same rate for

the thirteen years since that time, the total amount which would have been paid would have been \$4,566,978. Mr. Mowat has actually given in grants to education \$6,598,251, or, he has given back to the people in the shape of increased grants to schools \$2,031,273 more than if he had continued them on the same scale as in Sandfield's time. I think that is a very fair way of putting it, to simply meet the objection of hon. gentlemen opposite, who point to an increased expenditure, and endeavour to draw from that that there has been extravagance on the part of the Government. Then in regard to agriculture and arts; Sandfield gave in 1871, \$76,381. If you take thirteen years at that expenditure it would be equal to \$992,953. Mr. Mowat has given in aid to agriculture and arts, \$1,423,315, or \$430,362 more than if he had continued the grants on the same scale as in 1871. Then as to hospitals and charities, Sandfield's expenditure in 1871 was \$40,260, which for thirteen years would amount to \$523,380, whereas Mr. Mowat has given in grants to hospitals and charities during these thirteen years \$858,366, or an increase of \$334,986 more than if he had continued on the same scale as Sandfield Macdonald. In Public Institutions maintenance, Sandfield only expended in 1871 \$171,423. Now, in relieving the municipalities from the burden of maintaining these unfortunates Mr. Mowat has in these thirteen years actually expended \$5,759,416, or \$3,430,917 more than if he had kept the expenditure down to Sandfield's figures. (Hear, hear.) Then, in regard to administration of justice, taking the same years, Sandfield Macdonald expended \$104,049, (and recollect, as I said before, when I am taking administration of justice, I am only taking that part of it which is money directly refunded to the municipalities), so that in thirteen years we would have given, had we continued in the same way, \$1,352,637 whereas Mr. Mowat has given back to the municipalities \$1,649,150, or \$296,513 more than if he had followed the same scale as Sandfield. In colonization roads Sandfield gave \$55,419 in 1871; thirteen years at that rate would give \$720,317, whereas the actual amount we have given to the inhabitants of these outlying districts in con-

structing roads, which are certainly of great benefit to the country, has been \$1,393,481, or \$673,164 more than if we had continued the expenditure merely on the scale left by Sandfield Macdonald. Now these branches of expenditure, which I say are purely to relieve the municipalities, are not expenditures from which the government derive any benefit. As I said before, if their aim was to accumulate a surplus, they might have thrown the whole of them upon the municipalities, or have continued them merely on the old scale, but instead of following that course, Mr. Mowat has, with a liberality which is approved of by the people, increased the grants and has given back to the municipalities in thirteen years \$7,197,215 more than if he had continued these payments merely on the scale of 1871.

Mr. CARNEGIE—Does the hon. gentleman apply the same rule to receipts?

Hon. Mr. ROSS—Yes; I have no hesitation in doing so. I took up the question of receipts last year, and if the hon. gentleman will refer to the statement I made then, he will see, I think, that I gave a table of what were the receipts of the Province under Sandfield Macdonald, and every year since, and I showed that we had only been receiving an excess of \$60,000 a year more than Sandfield Macdonald. (Cheers.) I challenge the hon. gentleman to say if that is not correct; he has the statement now in his hands, and he will find there that the amount we have received over and above the revenue which Sandfield Macdonald received was only about \$60,000. And I might also say this, and I am glad the hon. gentleman has given me the opportunity, that we have given back to the people more than that \$60,000 in remission of revenue. By the abolition of taxes in Division and County Courts we have given back to the people some \$30,000 a year, and in reduction of marriage licenses we have given back to the people another \$30,000, so that we would have had \$60,000 of additional revenue had we not reduced it for the people's benefit in the way I have pointed out. The hon. gentleman will find all this information in my last year's financial statement, which contains a table of receipts from 1873 onwards.

Now, I suppose the House will be anxious to know what progress has been made in the settlement of the disputed accounts with the Dominion. I am sorry to say that the progress has not been what I hoped for and anticipated. It will be in the knowledge of hon. gentlemen that it would have been impossible to have secured a meeting of the Provincial Treasurers and the Finance Minister until the meetings of both the Provincial Legislatures and the Dominion House had been brought to a close. The meeting of the Quebec Legislature did not close until June, so that it was impossible to secure a meeting until that time. When that did close, it was found that Sir Leonard Tilley's absence in England would prevent any meeting for the settlement of these accounts. He did not return until September and immediately I applied to him for the purpose of arranging a conference whereby we might arrive at some conclusion and make some progress towards the settlement. A meeting was arranged for, to take place on the 21st October of last year. The Treasurer of Quebec and myself met Sir Leonard Tilley on that occasion, but as the main items of dispute were matters which involved legal contentions, principally respecting the charges made in regard to Indian annuities, Sir Leonard objected in the absence of Sir John Macdonald to take them up, as they were matters pertaining to Sir John's own department, and we therefore failed to make any progress in regard to the main items at issue on that occasion. Then there was another item we ought to have had settled on that occasion, a claim which we had in connection with the Land Improvement Fund; the Treasurer of Quebec objected to go into that, because he said that before he discussed it he wanted to have the opinion and advice of his Attorney-General, as it was a legal question and might turn largely upon legal issues. You will see therefore that in two of the most important points which we had met to discuss, we were baulked; but I may say that some progress was made, and, when we come to look at the result, rather material progress. We arranged at that time that Mr. Courtney should make a recast of the accounts in consequence of the credit of

interest which has been given us under the Dominion Act of 1884. It was also arranged that the Indian claims, as these might involve legal points, should be placed in a suspense account, so that any delays that might occur in regard to those need not interfere with a settlement of the other matters. That recast of the accounts, although pressed for very strongly, has not yet been received by us, and the excuse offered, which is perhaps a reasonable one, is that Mr. Courtney has been so engaged in preparations for the meeting of the House, etc., that he has not had the time to give attention to it. But there was one matter which was decided at this meeting which is a matter of importance to the Province. You will recollect that last year, in drawing attention to these Indian claims, I objected to the sum that was charged to the accounts of the Dominion with the Provinces, of \$303,280, charged to us as at date of 1867, as capitalization of Indian annuities payable under the Robinson Treaty, and that I said that this capitalization was altogether erroneous. A return will be submitted of correspondence which took place, from which it will be seen that in June last, I drew attention to what appeared to me a grave error in that calculation. I had previously got a statement from Mr. Courtney of the basis upon which the calculation was made, and I found, as I had anticipated, that they had capitalized these annuities twice over. As I mentioned last year, in the statement of debt that was submitted at the time of confederation in 1867, there was \$88,000 charged as capitalization of annuities. That was the capitalization of Indian annuities then payable under the Robinson Treaty, viz., \$4,400 annually. This \$303,280, which they charged again, was the capitalization of the \$4 per head claimed as the total annuity payable to the Indians, and thus included this \$88,000 again. I pointed this out to Mr. Courtney and Sir Leonard Tilley at our meeting. The matter was discussed, and it was admitted that an error had been made in that amount, and that they had charged us more than they were entitled to by \$88,000, and charged us this as at date of 1867, so that it makes it now, calculating interest up to the present time, a credit of \$208,842. That was one

matter settled on that occasion in favour of the united provinces. Now I may say that the Act passed by the Dominion last session, has paved the way for a more speedy settlement of the accounts. The Dominion Government having not only assumed the whole of the debt up to 1873, but also relieved the Provinces from the interest formerly charged upon it, we have not the same interest in closely scrutinizing the items composing it. The differences between the Provinces and the Dominion, in regard to the accounts submitted are, I may say, now practically reduced to three main items: first, the Indian claims, then the Land Improvement Fund, and then the interest allowed us on the Building Fund. The Indian claims, as I mentioned last year, are made up as follows: in the first place, they charge us \$140,000 for arrears of payments to Indians under the Robinson Treaty as at date of 1867; and then, as I have already mentioned, they charge us capitalization of annuities, \$303,280, as at the same date. On getting a statement from the Indian Department as to how these arrears were made up, I found that they had allowed to the Indians the increased allowance provided for by the Robinson Treaty of \$4 per head, actually from the date the Treaty had gone into operation, 1850, although for years after not a single dollar had been received as revenue from the territory. The treaty provided that a certain fixed sum of \$4,400 should be paid to the Indians annually, with a provision that if in future years the revenue derived from the territory should enable the Province to do so without loss, these annuities might be increased to a sum not exceeding \$4 per head. Well, it is clear that until the revenue from the territory does enable the Province to do so without loss, the Indians are not entitled to this \$4 per head.

Mr. MEREDITH.—Did the Provincial authorities assent to this increase?

Hon. Mr. ROSS.—No, never. These arrears are charged as at date of 1867, as arrears at Confederation due to the Indians. I suppose what the hon. gentleman is referring to is a despatch sent by the Hon. the Attorney-General in 1874, seven years after

Confederation had been in operation, and therefore has no connection with these arrears.

Mr. MEREDITH.—It assented to the increase.

Hon. Mr. ROSS.—Only partially. It did not assent that they should be charged to the Province, and it had no reference to the arrears. I am only dealing now with the item of \$140,000 charged as arrears. They charge that as due to the Indians, that is the \$4 per head from the time the Treaty went into operation, although, as I say, for some years thereafter there was not a dollar of revenue received from the territory. Then I may say that up to Confederation, taking into account the receipts derived from the territory both from sales of lands, timber dues, and mining licenses, and taking into account also the payments that had been made to the Indians, the disbursements in surveys and construction of roads, the whole receipts of the territory fell short of what had been disbursed by over \$250,000, so that there was no ground for giving any increase up to that date, because we had never had a revenue sufficient to meet the expenditure.

Mr. MEREDITH.—That was in the discretion of the old Parliament of Canada.

Hon. Mr. ROSS.—But the old Parliament never exercised the discretion. The Indians were never paid it to this day. This charge against the Province now is a thing of recent discovery. The Indians never claimed it until 1873, and yet as at date of 1867 we are charged with \$140,000 and interest from that time. I say there is not a shadow of foundation for that charge, and it must be wiped out of the accounts altogether. That sum, with interest, amounts \$332,249, which we are entitled to have credit for. Then there is the claim for capitalization, \$303,280. I have already said that they acknowledge an error in that of \$88,000; but the \$303,280, which is based upon the increased annuity of \$4, is capitalized as at date of 1867, and interest charged the Province upon it since that date; but if we are liable at all, we were not liable at that date. Up to Confederation the disbursements had exceeded the receipts by \$250,000, as I explained before, and it was not

till the year 1872 that the receipts from the territory balanced the expenditure that had been incurred, even in our own Province and through our own Crown Lands Department, so that, taking these expenditures by Ontario alone, it could not be until 1872 that there was any shadow of a ground for making that claim. But there is this to be taken into consideration, it is a bargain not between the Province of Ontario and the Indians, it is a contract between the Crown and the Indians, and the Crown is represented by all the Governments in Canada, either by the Government of the old Province of Upper and Lower Canada, or by the Dominion, or by the Province of Ontario. It is a contract between the Crown and the Indians, and whatever expenditure has been incurred by any one of these Governments necessary for the opening up of the country, or which has been the means of increasing the revenue that has been derived from it by increasing the value of the land, must be taken into account, before it could be said that the Province or the Crown could give the increased payment without incurring loss. We must know what that expenditure is before we can say when the Indians would be entitled to the increase. Again, the Indians never claimed it until 1873, and it was never recognized by the Crown until 1875. We claim, therefore, that if we were liable at all, and if the surplus of revenue would warrant it, that liability only commenced when it was recognized by the Crown. We claim further, however; we claim that we are not liable at all, because at the time of Confederation, as I have already stated, the Dominion capitalized these annuities payable under these treaties in the sum of \$88,000 and charged them as part of the debt of the Province, and I claim, therefore, that there was a settlement virtually of the whole liability under the treaty. The Dominion assumed the \$88,000 and agreed to pay the annuities. The treaty provided for both a possible increase on decrease of the annuities. It provided that the increased rate might be paid, provided the revenues from the territory exceeded the expenditures to such an extent as to warrant the increase. It also provided that if the Indian population decreased to the

extent of two-thirds of what it was at the time it was executed, the annuities to the Indians should be decreased in proportion ; therefore there was a liability which the Dominion Government had assumed to the amount of \$88,000 which was liable to either increase or decrease. Suppose the Indian population had become extinguished, would the Dominion Government have paid us back any of that \$88,000 they capitalized then ? Not a bit of it. They took that on speculation, as it were, and if there is any increase to be given by the Crown, the Dominion Government are liable for it ; they agreed to pay the liability under the treaty. Then there is another ground for objection ; the treaties provided for a decrease but not for an increase in population ; but I find by the return that has been sent to us that they are paying them \$4 per head upon a largely increased Indian population. Indians who never came forward to claim compensation under the treaty are coming forward now and claiming it, so that we have strong grounds to claim that the capitalization charge of \$303,280 is erroneous altogether, or, if it is a liability upon us to any amount, it is one of a very much smaller extent than charged.

I now desire to refer to the Land Improvement Fund. In our contention for the Land Improvement Fund we are not contending for a matter in which the Province as a province has any direct interest ; it would rather be against the Provincial Treasury ; but we are contending in this as the representatives of the municipalities to whom the fund is due. This matter has been discussed before, but as many hon. members were not in the House when these discussions took place, and I know from the correspondence that I have received from many municipalities that it is a matter that they are greatly interested in, so that all the information which can be given I am satisfied will be of the greatest interest to the municipalities, I will perhaps refer to it more fully than I otherwise would. The Land Improvement Fund was established by 16 Vic., chap. 39. By that Act one-quarter of the proceeds of sales of Common School lands were set apart for local improvements in the localities where the lands

sold were situate. By the same Act one-fifth of the sales of Crown Lands were set apart for the same purpose. In 1861, by Order in Council, this fund was put an end to so far as future sales were concerned, but the before-mentioned proportions of collections on sales made between 1853 and 1861 were still to be credited to this fund. Statements submitted by the Dominion at the arbitration between Ontario and Quebec, showed that the one-quarter of the School Lands so collected amounted to \$124,685.18, and the one-fifth of similar collections from Crown Lands to \$101,171. By the award the Land Improvement Fund was declared to be an asset of the Province of Ontario, but did not state what the amount of that fund was. Whatever it was it belonged to Ontario. The arbitrators having decided that Quebec was entitled to share in the proceeds of the Common School Lands, it was necessary that they should take into account the claim that Ontario had for Land Improvement Fund in those lands, and they directed that before making the division between Ontario and Quebec the sum of \$124,685.18 should be deducted from the Common School Fund and credited to the Land Improvement Fund, and it was only in this way that any direct reference was made to the \$124,685. They made no special reference to the \$101,171; they were not called upon to do so. They simply declared that the Land Improvement Fund was to be an asset of Ontario, without declaring what that fund was or what it consisted of, further than that the \$124,685 was to be a portion of it. Those who made out the Dominion accounts had evidently been misled into supposing that this \$124,685 was the whole amount of the fund, and had overlooked the amount accrued from Crown Lands. But the same principles govern both. They were both provided for by the same Act, and the one is as much a liability of the late Province of Canada as the other, but the fact that the \$101,171 is not specifically given in the award may have led the Province of Quebec to dispute this item. At the meeting in October the Treasurer of Quebec refused to assent to that sum being placed to the credit of Ontario until

he should have an opportunity of discussing the matter with his Attorney-General. The item is therefore still unsettled. But I have not the shadow of a doubt that when it comes to be discussed, Ontario will be able to maintain its claims on behalf of the municipalities to this \$101,171. (Hear, hear.)

These are not the only claims, however, which are in dispute. We find that we are confronted with new claims in regard to Indian payments—claims which I am satisfied that the House and the country have never heard of before. We are confronted with a claim of \$68,702, claimed to be due the Mississaguas of the Credit under a treaty executed in 1820,—a claim which they themselves never preferred, and was never recognized by the old Province of Upper Canada, under whose jurisdiction and government these lands were, and with whom the treaty was made; a claim that was never recognized by the old Province of Canada after the union, a claim that has not been presented by the Dominion to the Province of Ontario for seventeen years since Confederation. In fact, for upwards of sixty years this claim has remained in abeyance, and now we are presented with a claim of \$16,838, principal, and \$51,834, interest, payable to these Indians. Well, I think it is rather extraordinary that we have not heard of this claim before, and then, I may say that it was only presented to us a few days before the meeting at Ottawa in October last. It seems to be a new discovery. But what will surprise the House more is that but a few days before that meeting took place, on the 21st October, we found that an Order in Council had been passed by the Dominion Government on the 7th of that month, on the recommendation of Sir John Macdonald, directing that this sum should be charged against the Province as a liability and credited to the Indian Fund; and more, he directed that the Indians should be notified that the amount had been placed to their credit, and they have actually been allowed to draw a portion of the money. I say, sir, that this action is most astonishing, particularly when we consider that an arrangement was entered into between the Dominion and the Province some

years ago that no charge should be made by the Dominion or allowed against the Provinces without the concurrence of the Provincial Treasurers, yet in defiance of that we find this charge made against the Province; and to complicate matters and enhance the difficulties of a settlement, we find the Indians have been notified that the amount is placed to their credit, and that they have drawn some \$6,000.

Mr. MEREDITH.—If it is not a valid claim, it won't hurt you very much.

Hon. MR. ROSS.—But the hon. gentleman can see that there may be a difficulty after the lapse of sixty years in legally proving whether it is or is not a valid claim. Even if the Provinces were not able clearly to prove that the claim was invalid, the long time which has been allowed to elapse would point to its being a fair subject for compromise. But the House can see how much the difficulty of arriving at a fair settlement has been aggravated by notifying the Indians that the amount is at their credit. I say it was a precipitation altogether unnecessary on the part of the Dominion Government. When it had been as long in abeyance as sixty-four years, there was no urgency for a few days until the Provinces had been notified. I say it was a most extraordinary proceeding, and certainly requires some explanation.

Then we have got another new claim on behalf of the Chipewas of Lakes Simcoe and Huron, \$196,000 arrears and \$125,000 capitalization, for lands which these Indians claim belonged to them, but were ceded by the Ojibbeways under the Robinson Treaty to the Crown, these Indians claiming that the Ojibbeways had no right to cede them because they never belonged to them, and that they, who never were parties to the treaty at all, are to receive the same annuity as given to the Ojibbeways, viz., \$4 per head, and that to date back to the year 1850, making \$196,000 for arrears and the \$125,000 for capitalization of future annuities. It strikes me, though I am not a lawyer, and do not pretend to give any legal opinion upon the question, that if the Ojibbeways pretend to cede lands which did not belong to them, and if the

Crown agreed to pay \$4 a head for lands which the tribe claimed the right to cede; if it turns out they did not own the land, the Crown is not bound to pay. If liable to one we cannot be liable to the other. We cannot pay two tribes of Indians for the same land. We agreed to pay \$4 a head to certain Indians for the land they claimed to own, and if it turns out that the lands did not belong to them, the Crown is not liable for the annuity promised.

It appears there have been negotiations going on with these Indians for some years in regard to this claim, principally during 1883 and 1884, and we find now this claim charged against the Province. I cannot conceive that it is put forward with any degree of sincerity, but merely trumped up for the purpose of making it appear that Ontario has greater liabilities than is admitted.

But then I may say that we have some claims against the Dominion also, and I believe we are justly entitled to the amount they represent. In the first place, by the unanimous decision of the Supreme Court, two years ago, in the *Queen v. Robinson*, the Supreme Court declared that all the inland fisheries were under the control of the Provinces and not of the Dominion; that the Dominion had no control over them and no right to collect licenses; that the right to fish was vested in the owners of the land. The effect of that is that the Dominion Government have been collecting, in Ontario and other Provinces, revenues for fishing licenses to which they had no right. We have, therefore, a clear claim to the return of revenues derived from that source. I have taken the Dominion accounts, and find that there was since Confederation \$89,249 collected in Ontario, which, with interest at five per cent., as they have charged us, compounded, would amount now to \$129,425.

Mr. MEREDITH.—What kind of fisheries are these?

Hon. MR. ROSS.—The classification of fisheries in the Dominion accounts covers all inland fisheries.

Mr. MEREDITH.—It covers all lake fisheries?

Hon. MR. ROSS.—Certainly.

Then we have another charge to make against the Dominion Government, but of the amount of which unfortunately the House and Province are ignorant. I refer to the revenues they have been collecting from what was lately known as the Disputed Territory, now, I trust, disputed no longer. The Dominion Government have been collecting large revenues from lands, timber limits and minerals, and when we are able to get at the particulars, we shall have a large claim against the Dominion for these revenues, unless we find, as perhaps there is too much reason to fear, that they have been sacrificed by the Dominion Government, by grants to political favourites, without valuable consideration.

Then we have a third claim against the Dominion Government, but a claim that cannot, I suppose, be legally enforced as I think the other two can, but a claim that is equitable and a claim which in all justice Ontario is entitled to press.

MR. MEREDITH.—Consequential damages?

Hon. MR. ROSS.—Not consequential damages, but a claim that ought to be conceded if we are treated the same as other Provinces. I refer to the reimbursement of aid granted to Provincial railways, seized by the Dominion, in the same manner as it was given to the Province of Quebec by the legislation of last session. The House will be aware that the Province of Quebec obtained at that time \$2,396,000 as a return of aid given to local roads. It is not for me to say whether the policy pursued by the Dominion under that Act was a wise one or not. It is not for me to refer to the extraordinary pressure reported to have been brought to bear upon the Dominion Government to compel them to give countenance to the claim made by that Province. I do not wish to refer to that here. My duty, as the financial officer of the Province, is to watch the manner in which the other Provinces are dealt with, and see that the Province I represent receives equal justice with them. The past attitude of the Dominion Government in regard to Dominion railways was

this, that they recognized their liability only as regards large inter-national lines, such as the Inter-colonial and the Canada Pacific; they recognized no liability as regards local lines wholly within the Provinces. To the Provinces heretofore had been left the recognition of the demands for local railways. These demands have been liberally met by the Provinces. The charters for these local roads had been obtained from the Provincial Parliaments. These charters gave them privileges and imposed conditions upon which the aid was granted. These roads were under the control of the Provincial Parliaments, the conditions could be altered, waived, or new conditions imposed at the will of the people under whose charter they existed. By their charters conditions were imposed as to the carriage of agricultural products, lumber and wood, making indeed a tariff, as it were, for these railways, and under the conditions imposed was the aid only extended. In 1882 these regulations between the roads and the local Parliaments were, by one enactment of the Dominion, swept away and blotted out, and the local control of the roads taken from the people who had built them.

Mr. MEREDITH.—Does the hon. gentleman contend that the effect of the Dominion legislation is to alter their charters?

Hon. Mr. ROSS.—I do not contend that the Act by which the Dominion Government assumed control of our railways contains any provisions which change the conditions upon which these charters were granted, but when the Dominion Government assumed to take control of these roads, they have assumed the power, without the consent of the Provincial legislatures, to change the conditions imposed in those charters as they see fit. (Hear, hear.) These conditions were imposed by this Province in consideration of the aid given to the railways, and now the views and opinions of the people of this Province may be over-ridden by the views of representatives of other Provinces in the Dominion Parliament. This is where I say the wrong is done. They assumed to control these railways, and take them out of the hands of the Provinces, taking upon themselves the power to change, or to wipe

out of existence altogether, the conditions upon which the grants were made. Now, I say that by the Act of 1882 the Dominion Government took upon themselves for the first time the burden and responsibility of extending aid to the construction of future local lines, because it was unreasonable to suppose that any Provincial Government would any longer continue to aid roads over which they had no jurisdiction or control, therefore I say that action of the Dominion Government in assuming these provincial roads put the Dominion Government in a new relation to the Provinces. They assumed all responsibility for aid to local roads, and put it out of the power of the Provinces to extend such aid themselves. But they did more. When they assumed those roads in that manner, they rendered themselves, if not legally, morally and equitably, liable to the Provinces and the municipalities for a reimbursement of the aid that had been given, or at least for such a proportion as would represent that general interest of the Dominion which the Act affirmed. Now, what was the ground upon which Quebec got this grant of \$2,394,000 last year? It was upon the ground that the Quebec and Ottawa Railway was a work of national, not merely of local interest. But that is precisely the very same ground upon which they have assumed the jurisdiction of our roads. That assumption was based upon powers given under sec. 92 of the B. N. A. Act, by which the Dominion are entitled to declare any work, though it be within the Province, to be of general interest to the Dominion; taking that ground, they have assumed the whole control of our roads, and by their Act have declared that all these roads that we have aided are not merely of local importance but are of general advantage to the Dominion. If so, then, the liability of the Dominion follows at once to reimburse to the Provinces the aid given to secure the construction of these Dominion works. That liability has been recognized in the case of the Province of Quebec; upon the same principle the Province of Ontario is in equity entitled to a portion of the amount it has expended on

roads, which have, by the action of the Dominion, been declared to be for the benefit of the Dominion ?

Mr. CARNEGIE.—What is the name of the local road in Quebec that the hon. gentleman speaks of ?

Hon. Mr. ROSS.—I refer to the road from Quebec to Ottawa. It was constructed by the Province as a provincial work, they had expended \$11,000,000 in constructing that road. In 1882 the Provincial Government made a proposition to the Dominion Government to buy that road from them. They offered it to the Dominion for the sum of \$7,000,000, and in introducing the resolution into the Quebec Legislature, authorizing the sale to the Dominion, if they would accept it on these terms, the Attorney-General of the Province used this language. He said, "Let the Federal Government buy our property for \$7,000,000. This would represent a loss to the Province of \$4,000,000, but Quebec is willing to make a sacrifice which would ensure it an independent line for the traffic of the C. P. R., and at the same time give great impulse to the commercial prosperity of the Province," so that in 1882 the people of Quebec were willing to lose \$4,000,000 of what they expended because they said they had received value for it as a provincial and local work. The Dominion refused to purchase the road on those terms, but it was sold afterwards, partly I believe to the C. P. R., and partly to another syndicate, for the sum of \$7,600,000, or \$600,000 more than they had offered it to the Dominion Government for, but there had been some improvements made upon it in the meantime. The loss to the Province on that transaction was \$4,000,000. They had declared in 1882 that they were willing to submit to that loss, but last year, taking advantage of the opportunity which the demands of the C. P. R. upon the Government gave them, they insisted as a price of their support to that measure, that the Dominion Government should return them a portion of that money. The Dominion Government, feeling that the demand was one they could not at that time safely resist, gave Quebec \$2,394,000 as a reimbursement in part of its

grant to that road. I say that in all justice, in all equity, we, and all the other Provinces who have made similar grants to railways that are declared by the Dominion Government to be for the general advantage of Canada, and which that Government has taken under its control, are entitled also to a return of a portion of what we have granted for similar works. Even-handed justice must be extended to all the Provinces if our confederation is to continue. We cannot go on in this way, allowing other Provinces to receive benefits by special pleas of this kind, and the Province of Ontario get no equivalent. If our confederation is a partnership, then unless all the partners are accorded equal justice, that partnership cannot continue. I am satisfied that it only requires a united stand to be taken by the people of this Province and by the other Provinces, to ensure that the Dominion Government will return to us a portion of the amount we have expended, as they have done in the case of Quebec.

It being six o'clock, the Speaker left the chair.

After recess, Hon. Mr. Ross resumed :

Mr. SPEAKER, when the House adjourned, I was referring to the claim which I thought the Province had against the Dominion Government in regard to railways. I took the position, and still maintain that if our union is going to be continued, it must be upon a basis of equal justice to all ; it must be upon the common ground that where special grants in the way of relief, which are but increased subsidies in disguise, are made to one province, similar advantages must be extended to the others also. The people will not consent that the partnership shall continue to exist if Ontario, being the largest contributing partner, is to be ignored in the distribution of the assets. Hon. gentlemen opposite adopted last year the statement that Ontario contributes from two-thirds to three-fourths of the revenue of the Dominion, but even supposing that she contributes only one half, of the \$2,400,000 given to Quebec in the manner I have stated, Ontario will be called upon to pay \$1,200,000—is it reasonable that she should be bound to contribute \$1,200,000 in order to return to Quebec the

aid that Province has given to a local road, and be refused herself a dollar in consideration of the roads which she has similarly aided, and which are declared to be as much Dominion roads as the one in the other Province—I do not think it is. I have a statement prepared here as to the amount of aid given by the Province for those roads assumed by the Dominion, taken over and now called Dominion roads. In the statements heretofore submitted of municipal aid, there has only been included, so far as I have seen, the municipal aid that has been given since 1873. Prior to that, before the settlement of the Municipal Loan Fund scheme, large aid had been granted by the municipalities to many roads. In the statement I will submit to the House I have included the aid extended by the municipalities to the roads before that date. By that scheme, also, the Province made expenditures in regard to local roads, by reimbursing to the municipalities a portion of the outlay they themselves had made. I take that into account as Provincial aid granted and paid towards these lines. I have also a statement shewing what has been contributed by each county towards the roads within that county, and also shewing the total amounts, both provincial and municipal, that have been given to the different lines of railway. Although it may take a little time, I will read it over to the House, as it will be of interest to the public and to the members representing the different localities. (See Schedule at end.)

I have given in this table the total amount of aid that has been given to every railway in the Province; every mile of these railways has been taken over by the Dominion. We have not a single mile of railway left over which the Province has control.

Mr. MEREDITH.—Yes, two miles and a-half.

Hon. Mr. ROSS.—Oh, two miles and a-half, are there? We ought to be thankful for small mercies. These statements have been made up from the returns of municipal aid in the Dominion Sessional Papers of 1882.

It will be seen that there has been given a total municipal

aid of \$12,624,849, and a total Provincial aid of \$7,967,084, or a total municipal and Provincial aid of \$20,591,952.

I come now to the estimated receipts for the current year, which I will read to the House.

ESTIMATED RECEIPTS, 1885.

Subsidy		\$1,196,872 80
Interest on capital held and debts due by the Dominion to Ontario.....	\$279,111 10	
Interest on investments.....	50,000 00	
		<hr/> 329,111 10
CROWN LANDS DEPARTMENT :—		
Crown Lands.....	\$115,000 00	
Clergy Lands.....	12,000 00	
Common School Lands.....	21,000 00	
Grammar School Lands.....	2,000 00	
Woods and Forests.....	450,000 00	
		<hr/> 600,000 00
PUBLIC INSTITUTIONS :—		
Toronto Lunatic Asylum.....	\$32,000 00	
London ".....	10,000 00	
Kingston ".....	4,000 00	
Hamilton ".....	5,000 00	
Orillia ".....	2,000 00	
Reformatory for Females.....	5,000 00	
" Boys.....	500 00	
Central Prison.....	32,000 00	
Deaf and Dumb Institute.....	500 00	
		<hr/> 91,000 00
Education Department.....	\$37,000 00	
" (School of Practical Science)....	1,000 00	
		<hr/> 38,000 00
Casual Revenue.....		34,000 00
Licenses.....		168,000 00
Law Stamps.....		66,000 00
Algoma Taxes.....		10,000 00
Drainage Assessment.....		25,000 00
Municipal Loan Fund.....		10,000 00
Mechanics' Institute, Toronto.....		6,165 00
Insurance Companies' Assessments		3,000 00
Assessment of Counties <i>re</i> Removal of Lunatics.....		6,000 00
Agriculture and Arts Association <i>re</i> Agricultural Hall.....		2,000 00
		<hr/>
Total.....		\$2,585,148 90

Now hon. gentlemen will notice a considerable reduction in the amount we expect to receive from licenses. Last year our

estimate was \$200,000; we received \$211,000. This year we estimate to receive only \$168,000. This reduction is partly due to the adoption of the Scott Act in a number of the counties of the Province, which of course will reduce our revenues from licenses. I may mention that the estimated reduction by the adoption of the Act in these counties amounts to \$24,091. Last year also we received \$10,403 from extra licenses issued by the Dominion Commissioners, but as that Act has been declared *ultra vires*, we cannot expect any revenue from that source this year.

I may mention also that you will see in the estimates of this year the sum of \$2,000 in connection with Agriculture and Arts and Agricultural Hall. Since last session a settlement has been made with the Agricultural and Arts Association in regard to the claim the Province had against them. We have agreed to accept from the Association the sum of \$4,000, in two yearly instalments, as payment of the claim we had against them, the Association giving us an assignment of the claims that they may have against Mr. Jamieson for the proportion that he may have to pay towards the improvements that were made to the premises, and also a guarantee to the Province of ten years' use of the rooms now occupied by the Provincial Board of Health and Bureau of Statistics, so that in making this settlement we get \$4,000 from the Association, the rooms that we occupy for these two branches and the Agricultural Department rent free for ten years, besides the assignment of any claims against Mr. Jamieson.

Now it will be seen by hon. gentlemen who have the estimates in their hands, that this estimate of receipts does not cover our estimated expenditure. In the statement made last year there was a deficiency also, and it may be as well to acknowledge that we have now arrived at that point when we cannot expect to meet all the demands that are made upon the Government and continue the liberal relief we have been extending to the municipalities out of our ordinary revenue. If the Government is to continue that liberality it must seek some additional sources of revenue. The Province is growing in population. Every year

there are new demands made upon the Government ; new outlets spring up. Either through municipalities or associations, representations are made to the Government, and where they show that the proposed expenditures are in the public interest, the Government ought to be in a position to grant them. We have thought that at present, having a considerable surplus on hand, we should take any deficiencies out of the surplus rather than shift any of our burdens upon the municipalities. We therefore estimate that there will be an excess of expenditures over receipts in 1885.

Last year I drew the attention of the House to the fact that although our population had increased largely since Confederation and a consequently largely increased expenditure forced upon us, our revenue from the Dominion, which was intended mainly to meet that expenditure, remains stationary ; and I said there was a great deal of force in the contention that the subsidies to the Provinces ought to increase as population increases. Since last session I think circumstances occurring at Ottawa have confirmed my impression that it is just and right that the subsidies should be rearranged on that basis. Within the past year several Provinces have made demands upon the Dominion Government for increases under various pretexts. We know that the Province of Quebec, as I have already stated, sought from the Dominion Government \$2,394,000 on the plea that they had constructed and given aid to a line of railway in the interest of the Dominion. We have seen that they forced acquiescence in that demand. We have seen, during the summer, Manitoba sending a deputation to Ottawa asking for an increase of subsidy. We have seen within the last two weeks a deputation from Nova Scotia, also putting forward claims upon the Dominion Government and asking for an increase of subsidy. We also know that there are several Provinces now indebted to the Dominion Government for advances. The Province of New Brunswick has, I believe, drawn its subsidy a year in advance. We know from past experience, when demands of this kind are unitedly pressed

—and there is union on such questions in other Provinces, although not in Ontario—they are always successful. Is it not time then that Ontario should take firm ground for some final arrangement that will do equal justice to all. It will not do to go on as we have been doing. The financial basis of Confederation is not giving satisfaction. The proof of that is that these other Provinces have been coming to the Dominion Government from time to time pressing these claims, which are merely increases of subsidy in disguise, and persuading the Dominion Government to accede to them. I say this system of special grants is pernicious and demoralizing in its effects. What is the result of it? What is its tendency? Is it not to encourage in the Provinces an ignoring of the responsibilities for the future, and a more ready acquiescence in present extravagant expenditures, feeling that the Dominion is at their back and bound to relieve them when they get into difficulties. I say that this has a tendency to lead to improvidence in the Provinces, and that it is time that we ought to have a final readjustment of the financial basis of Confederation, putting it upon some permanent ground that would give relief and at the same time take away from the Provinces the inducement to extravagant expenditures. That should be sought by some means that would do justice to all. Looking at all the circumstances, I believe that the fairest basis of revision would be the readjustment of the subsidies every ten years on the basis of population. That basis of population was adopted as the most equitable at Confederation. Population and expenditure are closely connected. The expenditure of a Province increases as the population increases, but under our present system that increase brings no additional revenue to the Province, but it does to the Dominion. It is from that source their principal revenue is derived. Increased population means increased consumption of dutiable goods which swells their customs receipts. We spend large sums yearly on immigration. Every additional immigrant brings additional revenue to the Dominion, but the Province does not participate in it. The

Dominion derives all the benefits in a revenue point of view, and the Province none ; on the contrary, an increased expenditure is thrown upon it. The administration of justice, schools, hospitals and charities, the care of the insane,—all these expenditures must be increased with the population.

Now, at the time of confederation, a division was made as between the Provinces and the Dominion. What were the total revenues in 1867 of the four Provinces which went into confederation ? \$13,687,928, and of that they apportioned to the Provinces, for the purpose of carrying on the local government, \$2,753,966. It was considered right, then, to make the division so that the Provinces should receive one-fifth, and the Dominion the other four-fifths. What is the position of affairs now ? We find that the Dominion revenue in 1884 was \$31,861,961. They gave as subsidies to the Provinces \$3,606,672, or only one-ninth of the total revenue in 1884, though it had been considered an equitable division in 1867 to give the Provinces one-fifth. (Hear, hear.) Then, looking at the matter purely as regards items of revenue that are taxation ; that is, the revenue that the Dominion derives from customs and excise. From these two main branches of taxation, direct or indirect, as you may call them, was derived in the four Provinces in 1867, \$11,580,968. In 1884 the Dominion derived from these same Provinces for customs and excise \$23,711,745, or an increase of taxation of \$12,130,777, but of that increase they gave the Provinces nothing. The Dominion grasped the whole. Is that equitable or fair ? Then, as it might be objected that these particular years, 1867 and 1884, do not properly represent the true proportion between now and then, I have taken the average of the first three years of Confederation and the last three years, from 1867 to 1869, and 1882 to 1884, taking the two larger Provinces of Ontario and Quebec alone, the total amount derived from customs and excise in the first three years was \$9,774,987. They are now collecting by increased taxation from these two Provinces, \$21,345,789.

Mr. MEREDITH.—That was Mr. Norquay's argument.

Hon Mr. Ross.—If it was, it is a good argument. I believe it would be in the interests of Manitoba, as well as in the interests of Ontario and Quebec to have some final settlement made. The hon. gentleman's remark merely confirms what I have stated that dissatisfaction is existing in all the Provinces regarding the basis of Confederation. But if the other Provinces have reason to complain, Ontario has more reason, for on various pretexts the other Provinces have got special increases, when no equivalent was given to Ontario. While on the only occasions on which Ontario has received anything from the Dominion, it was only in conjunction with full equivalents given to the other Provinces at the same time. Last year when they gave Quebec an increase, did they give Ontario an equivalent? Not at all.

Then with regard to the proportion per head of population. In 1867 the taxation from these two sources of customs and excise was \$3.74; in 1884 it was \$5.86 per head, and the Dominion absorbs the whole of this large increase and gives none to the Provinces except what has been given in 1873 and this last year. As some new basis, that will be a finality, must evidently be sought, I suggest, as an equitable one, that the Dominion subsidy should be increased every ten years, according to the population at the decennial census; no Province then would be able to find fault. Each one would get a share in proportion to its population, and an increase as that population increases. No more equitable basis could be devised, because, as I stated before, it is largely from the increase of the population that the Dominion derives its increased revenue, and largely from increased population that increased expenditure is forced upon the Provinces. The Provinces cannot go on providing for the increasing wants of the population if their revenues are to remain stationary.

An Hon. MEMBER.—How do the states of the Union do?

Hon. Mr. FRASER.—They impose direct taxation.

Hon. Mr. ROSS.—They impose taxation, but I say, is it fair that the Dominion Government, starting upon what was supposed to be an equitable division of the revenues at the time confedera-

tion was formed, should go on doubling the taxation of the Provinces, taking the whole increase themselves, and allowing the Provinces only the resort to direct taxation? What I object to is that the present system of granting specific sums to particular Provinces, whenever they are pressed with sufficient persistence, has a demoralizing tendency and leads to extravagant expenditure. They know that if they can bring any political influence to bear upon the Dominion Government, they can obtain relief from their embarrassments. I do not care if you cut off the subsidies from the Provinces altogether, and leave them to direct taxation, so long as you deal with them all equally and alike. But I say that so far as the Dominion Government are concerned, they are not merely content to leave our revenue stationary, while their own is increasing largely, but they endeavor by all the means in their power to reduce the revenue given to us by confederation. Have they not endeavored to take from us our license revenues that we have been in possession of since confederation?

An Hon. MEMBER.—No, no.

Hon. Mr. ROSS.—What was the McCarthy Act? Does it not take away from us the revenues from wholesale and vessel and druggists' licenses and fines? I think that is the intention. (Hear, hear.) I shall be very glad to hear that the Dominion Government make no such contention, and I hope the hon. gentleman is now expressing himself intelligently, and with fore-knowledge of what are the views of the Dominion Government on that question.

Now, Mr. Speaker, so far, the Provincial Government, notwithstanding these disabilities under which the Province has been labouring, have been able to meet the existing demands of the Province, and still we have a surplus in our treasury which will enable us to meet anything but extraordinary demands for a few years to come. But if we have, by economy and the wise administration of our finances, placed ourselves in a better position than some of the other Provinces, it is not right that that should be cast up to us as a reason why grants should be given to other Provinces and denied to us. (Hear, hear.) I say that it is use-

less for Ontario to stand idly by while other Provinces are coming successively to the Dominion and asking, under various pretexts and specious pleas, for increased subsidies, which, in every instance, taking advantage of opportunities, they have succeeded in getting. I say it is time for the Province to take a more united stand in regard to this. I am sorry to say that there seems to be in the people of this Province a lack of that local patriotism, that loyalty to their own Province, that characterizes the people of the other Provinces, that has enabled them, by their united patriotism, to secure a recognition of their demands. This is, perhaps, due to the doctrines that have been assiduously preached lately in Ontario, that the first and highest allegiance of the people is due to the Dominion and not to the Province. That when representations have been made of the injustice done to the Province of Ontario by the Dominion action, whether in the attempted robbery of her territory, the alienation of her revenues, or the infringement of her legislative rights, we have seen those who aspire to be leaders, in rounded phrases, reminding the people that they are building up a grand Dominion, and that Provincial interests are only of secondary consideration. What has been the result of that doctrine? Had we not the spectacle last year at Ottawa, that, when a proposition was made to do justice to Ontario, by returning to her as had been done to another Province, a portion of the aid given to construct Dominion roads, that proposition, although generally supported by Liberal members of other Provinces, was, for party ends, voted down by the voices of Ontario representatives. (Hear, hear.) It is time that Ontario assumed a firmer and more united attitude in assertion of her rights; and I trust she will, by united voice, demand the same recognition of her outlay on Dominion railways that has been accorded to other Provinces, and insist on an equitable and final adjustment of the basis of Confederation, both financially and constitutionally, which will give her that justice which the practical working out of the present arrangement as at present administered, does not secure to her. (Applause.)

Mr. Speaker, I beg to move that you do leave the chair.

STATEMENT X.

SUMMARY, shewing total Municipal (and Provincial) Aid to each Railway.

RAILWAY.	Amount of Bonuses.	Amount repaid by Province out of M.L.F.	Net amount of aid by County.	Direct aid by Province paid and maturing.	Total Provincial and Municipal aid to each Rail- way.
	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.
Buffalo and Lake Huron	1,278,000 00	322,000 00	956,000 00	.....	1,278,000 00
Bytown and Prescott	324,000 00	108,000 00	216,000 00	.....	324,000 00
Berlin and Preston	220,000 00	88,000 00	132,000 00	.....	220,000 00
Brockville and Ottawa (C.P.R.)	1,354,000 00	173,000 00	1,181,000 00	.....	1,354,000 00
Canada Atlantic	180,000 00	.....	130,000 00	454,887 00	584,887 00
Canada Central (C.P.R.)	117,500 00	.....	117,500 00	125,957 00	243,457 00
Canada Southern	322,500 00	.....	322,500 00	244,559 00	567,059 00
Credit Valley (C.P.R.)	1,085,000 00	.....	1,085,000 00	815,602 00	1,900,602 00
Cobourg, Peterboro' and Marmora	613,500 00	64,000 00	549,500 00	18,740 00	632,240 00
Erie and Niagara	306,000 00	61,000 00	245,000 00	.....	306,000 00
Grand Trunk, Georgian Bay and Lake Erie	929,000 00	.....	929,000 00	229,886 00	1,158,886 00
Galt and Doon	25,000 00	6,000 00	19,000 00	.....	25,000 00
Galt and Guelph	180,000 00	31,000 00	149,000 00	.....	180,000 00
Grand Junction	208,000 00	.....	208,000 00	278,067 00	486,067 00
Hamilton and North-Western	775,596 00	.....	775,596 00	727,697 00	1,503,293 00

Kingston and Pembroke	488,000 00	.....	488,000 00	590,333 00	1,078,333 00
London, Huron and Bruce	311,500 00	.....	311,500 00	268,839 00	580,339 00
London, and Port Stanley	569,400 00	49,000 00	520,400 00	.....	569,400 00
Lake Simcoe Junction	100,000 00	.....	100,000 00	53,000 00	153,000 00
Midland	144,370 00	22,000 00	122,870 00	215,511 00	360,391 00
Northern	631,980 00	.....	631,980 00	155,148 00	787,128 00
Prince Edward County	93,500 00	.....	93,500 00	155,520 00	249,020 00
Peterborough and Port Hope	1,100,000 00	158,000 00	942,000 00	.....	1,100,000 00
Toronto, Grey and Bruce (C.P.R.)	988,000 00	72,000 00	916,000 00	461,364 00	1,449,364 00
Toronto and Nipissing	386,500 00	41,999 00	344,501 00	105,212 00	491,712 00
Victoria	186,000 00	.....	186,000 00	537,317 00	723,317 00
Wellington, Grey and Bruce	682,000 00	47,998 00	634,002 00	241,276 00	923,276 00
Welland	190,000 00	93,000 00	97,000 00	.....	190,000 00
Whitby, Port Perry and Lindsay	222,000 00	.....	222,000 00	129,790 00	351,790 00
Hamilton and Lake Erie .....	.....	.....	.....	66,960 00	66,960 00
Prince Arthur's Landing .....	.....	.....	.....	75,747 00	75,747 00
North Grey .....	.....	.....	.....	41,040 00	41,040 00
Port Dover and Lake Huron .....	.....	.....	.....	126,000 00	126,000 00
North Simcoe .....	.....	.....	.....	144,241 00	144,241 00
Brantford, North, and South Brantford .....	.....	.....	.....	129,353 00	129,353 00
Belleville and North Hastings .....	.....	.....	.....	114,206 00	114,206 00
Erie and Huron .....	.....	.....	.....	123,834 00	123,834 00
Total	13,961,846 00	1,336,997 00	12,624,849 00	6,630,086 00	20,591,952 00

STATEMENT shewing amount of Municipal Aid to Railways by various Counties in the Province of
Ontario.

COUNTY.	RAILWAY.	Amount of Bonus.	Amount repaid by Province out of Municipal Loan Fund.	Net amount of Aid by County.
		\$	\$	\$
Bruce.....	Grand Trunk, G. Bay & Lake Erie	195,000	.....	.....
	London, Huron & Bruce	9,000	.....	.....
	Toronto, Grey & Bruce	43,000	.....	.....
	Wellington, Grey & Bruce	306,000	4,363	.....
	Buffalo & and Lake Huron	53,571	20,809	581,399
Brant	Buffalo and Lake Huron	590,000	89,335	500,665
Carleton	Canada Atlantic	100,000	.....	.....
	Bytown & Prescott	200,000	67,826	232,174
Dufferin	Credit Valley	15,000	.....	.....
	Toronto, Grey & Bruce	90,000	13,500	91,500
Elgin	Canada Southern	225,000	.....	.....
	London & Pt. Stanley	114,000	13,493	.....

	Credit Valley.....	50,000	.....	375,507
Essex.....	Canada Southern.....	45,000	.....	45,000
Frontenac.....	Kingston & Pembroke.....	488,000	.....	488,000
Grey.....	Canada Southern.....	15,000	.....	.....
	Grand Trunk, G. B. & L. E.....	257,000	.....	.....
	Northern.....	99,480	.....	.....
	Toronto, Grey & Bruce.....	305,000	.....	676,480
Haldimand.....	Buffalo & Lake Huron.....	28,000	10,878	17,122
Halton.....	Credit Valley.....	100,000	.....	.....
	Hamilton & N. Western.....	87,080	.....	187,080
Hastings.....	Grand Junction.....	165,000	.....	.....
	Prince Edward County.....	10,000	.....	175,000
Huron.....	London, Huron & Bruce.....	187,500	.....	.....
	Toronto, Grey and Bruce.....	45,000	.....	.....
	Wellington, Grey & Bruce.....	121,000	.....	.....
	Buffalo & Lake Huron.....	246,429	95,716	504,213
Haliburton.....	Victoria.....	54,000	.....	54,000
Leeds and Grenville.....	Bytown & Prescott.....	124,000	40,174	.....
	Brockville & Ottawa.....	1,354,000	173,000	1,264,826
Lincoln.....	Erie & Niagara.....	280,000	45,750	.....
	Welland.....	190,000	93,000	331,250

STATEMENT shewing amount of Municipal Aid, etc.—*Continued.*

COUNTY.	RAILWAY.	Amount of Bonus.	Amount repaid by Province out of Municipal Loan Fund.	Net Amount of Aid by County.
Middlesex		\$	\$	\$
	London, Huron & Bruce (County)	15,000	.....	.....
	London, Huron & Bruce (City)	100,000	.....	.....
	London and Pt. Stanley ..	455,400	35,507	534,893
Norfolk	Canada Southern	30,000	.....	.....
	Grand Trunk, G. B. & L. E.	25,000	.....	.....
	Hamilton & N. Western	20,740	.....	75,740
Northumberland and Durham..	Grand Junction	39,000	.....	.....
	Cobourg, P. & Marmora	613,500	64,000	.....
	Midland	30,000	.....	.....
	Peterboro' & Port Hope.....	920,000	132,145	1,406,355
Ontario	Midland	62,500	22,000	.....
	Whitby, Pt. Perry & Lindsay	137,000	.....	.....
	Toronto & Nipissing	110,000	11,953	275,547

Oxford.....	Canada Southern	7,500	.....	.....
	Credit Valley	210,000	.....	.....
	Grand Trunk, G. B. & L. Erie	130,000	.....	347,500
Peel	Credit Valley	115,000	.....	.....
	Hamilton & N. Western	30,974	.....	.....
	Toronto, Grey & Bruce	85,000	12,750	218,224
Perth	Grand Trunk, G. B. & L. E.	225,000	.....	.....
	Wellington, Grey & Bruce	50,000	5,454	.....
	Buffalo & Lake Huron	300,000	81,956	487,590
Peterboro'	Grand Junction	4,000	.....	.....
	Midland	4,000	.....	.....
	Peterboro' & Pt. Hope	100,000	14,364	93,636
Prescott and Russell	Canada Atlantic	30,000	.....	30,000
Prince Edward.....	Prince Edward County	83,500	.....	83,500
Renfrew	Canada Central.....	117,500	.....	117,500
Simcoe.....	Hamilton & N. Western	537,069	.....	.....
	Midland	46,370	.....	.....
	Northern.....	242,500	.....	825,939
Victoria	Midland	2,000	.....	.....
	Victoria.....	132,000	.....	.....
	Whitby, Port Perry & Lindsay	85,000	.....	.....

STATEMENT shewing amount of Municipal Aid, etc.—*Concluded.*

COUNTY.	RAILWAY.	Amount of Bonus.	Amount repaid by Province out of Municipal Loan Fund.	Net Amount of Aid by County.
		\$	\$	\$
Victoria—(<i>Continued</i>)	Toronto & Nipissing	86,500	9,400	.....
	Peterboro' & Port Hope	80,000	11,491	364,609
Waterloo	Credit Valley	110,000	.....	.....
	Galt & Doon	25,000	6,000	.....
	Galt & Guelph	40,000	7,294	161,706
Wellington	Credit Valley	135,000	.....	.....
	Grand Trunk, G. B. & L. E.	97,000	.....	.....
	Toronto, Grey & Bruce	70,000	8,250	.....
	Wellington, Grey & Bruce	205,000	38,181	.....
	Galt & Guelph	100,000	16,412	544,157
Welland	Buffalo & Lake Huron	60,000	23,306	.....
	Erie & Niagara	26,000	15,250	47,444
Wentworth	Hamilton & N. W.	99,733	.....	.....

York	Galt & Guelph	40,000	7,294	.....
	Berlin & Preston	220,000	83,000	264,439
	Credit Valley	350,000	.....	.....
	Lake Simcoe Junction..	100,000	.....	.....
	Northern.....	290,000	.....	.....
	Toronto, Grey & Bruce	350,000	37,500	.....
	Toronto & Nipissing	190,000	20,646	1,221,854
		13,961,846	1,336,997	12,624,849

SPEECH

1886

OF THE

HON. A. M. ROSS,

TREASURER OF THE PROVINCE OF ONTARIO.

DELIVERED ON THE 18th FEBRUARY, 1886.

IN THE

LEGISLATIVE ASSEMBLY OF ONTARIO,

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY.

REPORTED BY A. J. MCGURN AND L. V. PERCIVAL.

TORONTO :

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FINANCIAL STATEMENT
OF THE
HON. A. M. ROSS.

LEGISLATIVE ASSEMBLY,
TORONTO, Thursday, 18th February, 1886.

MR. SPEAKER :

It is not my intention, in presenting the annual statement of the financial transactions of the Province for the past year and our proposals for the present, to detain the House for any great length of time. The Public Accounts and Estimates are so full that a very cursory examination of them by the Members will give a very fair idea of the financial operations and present position of the Province. But for the general public, who are not furnished with copies of the Public Accounts, a short summary of such, which they may receive through the medium of the press, is desirable, and has become an established custom. On the last occasion that I presented my statement of our estimated revenue and expenditure to the House, it was expected, according to that statement, that the transactions for 1885 would show an excess of expenditure over receipts, or that there would be, to use a word that has been very frequently used of late years by hon. gentlemen opposite—a deficit. That deficit was expected to be about \$148,000. I am happy to be able to say that the Province at the close of the year is in a better position financially than we expected. (Hear, hear). The receipts for 1885 have been :—

RECEIPTS—1885.

Dominion of Canada :

Subsidy	\$1,116,872 80	
Specific Grant	80,000 00	
	<hr/>	\$1,196,872 80
Interest on Capital held, and debts due by the		
Dominion to Ontario	\$279,111 10	
Interest on investments	50,284 86	
	<hr/>	329,395 96
Crown Lands Department		736,864 95
Algoma Taxes		1,620 38
Education Department		38,749 72
Law Stamps		66,988 02
Licenses		162,330 07

Public Institutions :

Toronto Lunatic Asylum	\$32,663 51	
London "	7,493 67	
Hamilton "	5,644 75	
Kingston "	2,652 72	
Orillia "	1,467 20	
Reformatory for Females	4,622 84	
" Boys	694 50	
Central Prison	43,623 43	
Deaf and Dumb Institute	250 00	
	<hr/>	99,112 62

Casual Revenue :

Fines, etc	\$5,407 99	
Surrogate Court Fees	1,420 00	
Division Court	6,339 76	
County Court	745 83	
Insurance Companies' Fees	525 00	
Official Gazette	7,720 06	
Ontario Statutes	547 60	
Private Bills	1,615 75	
Provincial Secretary's Department	7,435 30	
Incidentals	98 00	
Assessments <i>re</i> Expenditure: Insurance Office	2,999 86	
" " Removal Fund	4,701 33	
	<hr/>	39,556 48
Drainage Assessments		18,079 29
Orillia L. A. Cap. Account		1,000 08
Agricultural College "		4,000 00
Mimico Farm Account		202 15
Municipal Loan Fund		2,647 96
		<hr/>
		\$2,697,420 48

Drainage Debentures		37,100 54
Annuities	\$268,651 80	
" —interest	2,747 89	
	<hr/>	271,399 69
Total.....		<hr/> \$3,005,920 71

Before referring particularly to the important variation between the estimated and actual receipts in respect to Crown Lands revenue (which I will take up later), I will refer to one or two of the other items and see how they compare with the estimate. The items of subsidy and interest on capital account are, of course, the same as estimated. From interest from Banks and other investments we estimated that we would receive \$50,000 ; we have received \$50,284. From public institutions we estimated that we would receive \$91,000 ; we have actually received \$99,112, an increase of over \$8,000. In the Education Department the estimated receipts, which were \$33,000, have been exceeded by \$749. The receipts from casual revenue were estimated at \$34,000, and they have been exceeded by over \$5,000, the amount actually received from that source having been \$39,556. We estimated the receipts from licenses would be \$168,000 : the actual receipts have been only \$162,330. The receipts from this source for 1884, as Hon. gentlemen well recollect, were \$211,353, but in consequence of the Scott Act having come into operation in a number of counties on the 1st of May last, we estimated that we would have a reduction of \$43,000 from the figures of the previous year. But the result has shown that the loss to our revenue has been more than anticipated, amounting to \$49,000. From Algoma taxes the estimate was \$10,000 ; the receipts were only \$1,620. In making that estimate of \$10,000 from Algoma taxes, it was intended during the year 1885 to have had a sale of lands for taxes, but on looking into the matter in connection with those taxes it was evident that the previous attempts at enforced collection had not been satisfactory, and that some change of plan would be necessary in regard to this subject before we should go the length of placing the list in the Sheriff's hands and making a forced sale. So that no sale has taken place during the year, and the result has been that the receipts from this source have fallen short of the estimate. I might here state that it is our intention during the present session to introduce a Bill to amend the Act respecting the Sale of Lands in Algoma for Taxes. But

to return to the comparison of receipts with the estimates. From Drainage assessment we estimated \$25,000; we received only \$18,079. From the Municipal Loan Fund we estimated that we would receive \$10,000. The receipts from this source did not come up to my expectation from the fact that the sum of \$7,000, due from the City of St. Catharines, which we expected to receive during the year was not paid, and our total income under this head was \$2,647, received from the Township of Hope. In regard to Cobourg, another of the municipalities indebted to us, I will touch upon that when I come to the Statement of Assets and Liabilities. From Insurance Companies we estimated and received the amount for which the Companies were assessed \$3000. From Counties for the removal of lunatics we estimated to receive \$6,000, while we received \$4,734. From the Agriculture and Arts Association we expected to receive \$2,000 as the balance of the amount due from the Association on account of the repairs made in Agricultural Hall, in accordance with the agreement reported to the House last Session. In consequence of the untoward weather during the holding of the Provincial Exhibition last year, the receipts of the Association were much less than they expected, and therefore they were not in a position at the close of the year to pay the \$2,000 due; but I expect to receive it during the present year. To sum up, our total estimated receipts from all those sources for the year were \$2,585,148, and our actual receipts have been \$2,697,420, or an excess of receipts over our estimate of \$112,272. Outside of these ordinary receipts, our receipts from annuities were \$268,651. These are the proceeds from annuities to the extent of \$14,000 annually, which were issued in June last for the purpose of taking up the certificates to railways falling due during the year. Tenders were asked for the purchase of these. A number were received, the most favourable being that of the Union Mutual Life Insurance Company, of Hartford, Conn., to whom they were all sold. The price paid was based upon a rate of interest a fraction below $4\frac{1}{4}$ per cent. Last year in referring to the sales which took place in 1884, which were based upon a rate of interest a fraction below $4\frac{1}{2}$ per cent., I stated that I expected this year to be able to do better, and I think the result has shown that my expectation has been realized, as the rate of interest is one-quarter of one per cent. less than last year.

I now come to a statement of the expenditure for the past year. Of course Hon. gentlemen have these figures in the Public Accounts, but for

the purpose of giving them to the country through the medium of the press I will read the totals :—

EXPENDITURES—1885.

Civil Government.....	\$ 184,254 70
Legislation	125,762 04
Administration of Justice	354,923 35
Education	533,564 46
Public Institutions Maintenance.....	613,570 89
Immigration.....	19,088 11
Agriculture and Arts.....	159,576 45
Hospitals and Charities	96,421 28
Repairs and Maintenance, Public Buildings.....	62,601 54
Public Buildings.....	155,720 29
Public Works.....	38,690 80
Colonization Roads.....	121,435 32
Charges on Crown Lands.....	96,573 08
Refunds	31,023 41
Miscellaneous.....	100,320 18
	<hr/>
	\$2,693,525 90
Drainage Debentures.....	40,223 78
Railway Fund.....	250,808 01
Annuities.....	20,400 00
Common School Fund.....	35,000 00
Municipal Loan Fund.....	154 48
New Parliament Buildings	26 90
Stationery Office—Surplus of purchases over distribution.....	5,973 81
	<hr/>
Total.....	\$3,046,112 88

Comparing these expenditures with the estimates it will be seen under the head of Civil Government we made an estimate of \$181,444 ; our actual expenditure was \$184,254, or an excess of \$3,810. For Legislation we estimated an expenditure of \$120,850, and we expended \$125,762, or an over-expenditure of \$4,912. This excess is mainly caused in connection with the two items of Sessional writers and messengers and printing and stationery. It was expected that the close supervision which it was intended should be exercised over those branches, both by the Government and the Printing Committee of the House, would have enabled us to keep within our estimate of last year. We have not been quite able to do that, but at the same time I think we have been able to make very important reductions in those items below the expenditure of the previous

year. The item for sessional writers for 1884 was \$17,220 ; for 1885 it was reduced to \$15,606, or \$1,614 less. For printing and stationery the expenditure in 1884 was \$43,927 ; for 1885 it was brought down to \$33,048, a reduction of \$10,879. For Legislation the total expenditure in 1884 was \$141,440; for 1885 we have reduced it to \$125,762, a total reduction in the item of Legislation of \$15,678. Mr. Speaker, if that is not quite as low as we anticipated, I think, at any rate, it is evidence of a fairly successful effort in that direction. (Hear, hear.) For the Administration of Justice our estimate of expenditure was \$334,252, and our actual expenditure was \$354,923, or \$20,671 in excess of the estimate. The main item of over-expenditure in that account is in connection with Criminal Justice expenditure paid to the Counties. In former Statements I referred to this expenditure as being one over which the Government have no control. This is altogether an expenditure by the local officials for the ordinary administration of criminal justice within the Counties, and it is repaid by the Government to the County Treasurers ; therefore, as I said before, it is an expenditure over which the Government have no control. This expenditure, I think, may be taken as a fairly accurate barometer of the prosperity or depression that exists in the country. We always find that in periods of extreme depression the expenditure in connection with criminal justice goes up. The expenditure for this purpose has not been as high as it was this year since 1878. The two maximums of expenditure correspond, as it were, with the extremes of depression at that period and at the present. Knowing that hard times were present, and had not yet come to an end when we made our estimate, although the expenditure of 1884 was in excess of 1883 by \$28,000, we still made provision for an increase in expenditure under this head even over that of 1884, but, as I say, if this expenditure is to be taken as a measure of the depression we have experienced, then that depression has been much more severe than we expected, because the expenditure has been more than we estimated for. Then again, there has been a considerable over-expenditure in connection with the Administration of Justice in the new Districts. A large part of that expenditure is of the same character as the expenditure for the Administration of Justice for the Counties. It is put under the head of Provincial Districts, but this expenditure is of the same character as that controlled by the local municipal authorities in places where there are Councils, but as there are no Councils in these

Districts it is controlled by Government Officers, and is subject to increase for the same causes as those I have already mentioned. Another reason which may account for the increase of expenditure in the new districts, is that owing to the completion of work on the Canadian Pacific Railway a large amount of labour ceased to find employment. A turbulent element was thus cast loose upon the country, and it may be taken for granted that this would cause an increase of expenditure in maintaining order in these Districts.

In Education there has been an over-expenditure of \$7,735. The estimate was \$525,829, and the expenditure \$533,564. The over-expenditure has been under two heads—Departmental Examinations and Miscellaneous.

In Public Institutions the expenditure has been within the estimate. We took an appropriation of \$619,685, and we expended \$613,570, or an expenditure below the estimate of \$6,115. (Applause.) In connection with that expenditure, I think that while the reduction shows economical management, we have a further proof of that in the information given to hon. gentlemen in the Prison and Asylum Reports. That Report shows that the average cost per inmate of all our Institutions during the past year has been reduced from \$188.22 in 1884 to \$174.40 in 1885, or a reduction of \$13.82 per head. Taking our Insane Asylums, the average cost in 1884 was \$133, and in 1885 \$123, or a reduction of \$10 per head. In 1884 I expressed the opinion that in regard to our prisons, reformatories, and all institutions outside of lunatic asylums the figures showed that we had arrived at the normal maximum expenditure. Of course there may be fluctuations from time to time owing to increase of population and other causes, but we appear to have arrived at the end of that steady yearly increase which we formerly experienced. Last year the figures sustained my contention, and this year also they bear out the conclusion I drew. I believe it will be a subject of congratulation to the House to find that we have probably arrived at the end of this regular increase of expenditure. Taking the Mercer Institute, the Institution for the Blind, the Institution for the Deaf and Dumb, the Reformatory for Boys, and the Central Prison, we find that the number of inmates was 1,043 in 1882, 1,102 in 1883, 1,054 in 1884, and 1,119 in 1885. The Central Prison is the only Institution which shows an increase, and I attribute this increase to the same circumstances that have caused an increase in the cost

of administering criminal justice, namely, commercial depression and hard times. But at the other Institutions which I have named the number of inmates has steadily decreased from 813 in 1882 to 760 in 1885. The cost of maintenance points in the same direction. The figures I quote are from the Prison Reports, which are for the year ending 30th September, and here I may say that objection has formerly been made to the figures being taken from the Prison Report in preference to the Public Accounts which are made up to 31st December, but a moment's consideration will shew hon. gentlemen that these figures of expenditure from the reports are the ones that should be used in such comparisons, because the average cost of maintenance of these Prisons is taken from the Report. There will naturally be some slight variations from year to year between the Reports and the Public Accounts, although taking any series of years one with the other, they will correspond. In these four Institutions, the Mercer Reformatory, the Institutions for the Blind and the Deaf and Dumb, and the Reformatory for Boys, the cost of maintenance was \$136,549 in 1882, \$144,203 in 1883, \$143,837 in 1884, and \$140,267 in 1885, showing a steady decrease in the last two years. The cost of maintenance of the Central Prison was \$55,130 in 1882, \$51,000 in 1883, \$55,258 in 1884, and \$58,677 in 1885. In this case there is an increase, which, however, is more than counterbalanced by the increase in the receipts from Prison industries.

Passing on to Immigration, the estimate was closely approximated to the expenditure, the appropriation being \$19,900 and expenditure \$19,088, or \$912 less than the estimate. It is well to note also the important reduction in this branch as compared with 1884. In 1884 the expenditure under this head was \$43,369, showing the very large reduction in 1885 of \$24,281. Of last year's expenditure of \$19,088 not a dollar has been paid for the carriage of immigrants into the Province. (Applause.) Some small amounts have been paid for the carriage of immigrants arriving at Toronto to send them to their friends or to their destination in Ontario, but not a dollar has been spent in bringing them in. In this respect we believe we have met the just and reasonable demands of the wage-earners of this Province. Considering the depression, the Government believes that it is not advisable to spend anything for the purpose of bringing immigrants into competition with them. (Applause.)

In Agriculture and Arts the appropriation was \$169,445, and the expenditure \$159,576, or an under-expenditure of \$869. On the Agricultural College and Farm, taking the two together, because they are but one institution, there is a small over expenditure of \$1,087. The expenditure on College and Farm is divided into three heads:—1, the College proper; 2, the Farm and Garden; 3, the Creamery. Our estimate for the College was \$17,720, and the expenditure was \$16,002, or \$1,718 below the estimate. On the Farm the estimate was \$11,000, and the expenditure \$15,205, an over-expenditure of \$4,205. In regard to the Creamery we took no appropriation, the intention being that that branch should be made self-sustaining. I am happy to say that expectation has been realized. The Public Accounts show that the receipts from the Creamery were \$13,761, while the expenditure upon it was \$13,399, leaving an excess of receipts over expenditure of \$362. But included in those receipts are \$184 for butter made in 1884, which it is proper to deduct, leaving a net surplus of \$178. As I have said, it was the purpose of the Government to carry on the Creamery so as to be self-sustaining. Our intention was to give to the farmers supplying cream the highest price that the state of the butter market would allow. The practice was for the Secretary of the Bureau of Statistics to furnish every week to the Manager of the Creamery, a statement of the Toronto quotations for farmers' butter, and that price was paid to farmers for cream sufficient to make a pound of butter. In this way we have demonstrated that in a stock-raising locality, such as the County of Wellington, a Creamery, even under Government control, which cannot be as economical as that of a private concern, can be managed so as to give the farmer the Toronto prices of butter for their cream, at their own doors, thus saving them the trouble both of manufacturing and marketing. (Applause). We therefor consider that this experiment, tried during the past year, has been eminently satisfactory. In the Bureau of Statistics there is a small over-expenditure of \$2,016. This has been caused by the increased cost of collecting information in regard to labour statistics and farm statistics, and also in regard to a new branch of information, one of great importance, which has been taken up by the Secretary, namely, mining statistics. He has made a visit to the Mining Districts of Ontario, and will embody some valuable statistics in his forthcoming Report. For Repairs and Maintenance of Government Buildings, the over-expenditure

has been \$13,786. We estimated that the amount needed would be \$48,815, and the sum actually spent was \$62,601. I have before referred to the fact that the principal causes of over-expenditure in Repairs and Maintenance would be found in the repairs and maintenance of Parliament Buildings and Government House, and so long as we continue to occupy buildings falling to pieces such as these, the amount needed for repairs and maintenance will be very large. In regard to Public Buildings, our estimates were \$201,138; the amount actually expended was \$155,720, or \$45,418 less than the amount estimated. In the comparative statement attached to the Public Accounts it will be found that the main over expenditure on estimates taken for particular buildings under that head, has been owing to the altering and furnishing the Regiopolis Building, to increase the Asylum accommodation at Kingston, which represents a cost of \$20,012. This was for the purpose of receiving the surplus of inmates from the other Institutions, which were overcrowded, and the additional accommodation was absolutely necessary. For Public Works the amount appropriated was \$58,073, and the expenditure \$38,690, or \$19,383 less than the amount estimated. For Colonization Roads the estimate was \$102,900 the expenditure \$121,435, or an over-expenditure of \$18,535. This, over-expenditure my hon. friend, the Commissioner of Crown Lands no doubt will be called to explain by hon. gentleman opposite, and I am quite sure he will be able to give a satisfactory explanation. (Applause). There is one thing which hon. gentlemen must bear in mind, a large portion of our revenue is derived from the sale of timber from this northern territory, and the people there claim that a fair portion of it should be spent in the district for colonization roads and other purposes, to aid the settlers, in order to give them the same facilities possessed by the people of the older and more settled portions of the Province. For Charges on Crown Lands we estimated that \$93,400 would be required; the expenditure was \$96,573, or an over-expenditure of \$3,173. For Refunds the estimate was \$32,802, and the expenditure \$31,023, or an under-expenditure of \$1,779. For Miscellaneous the appropriation was \$87,472, the amount spent \$100,320, making the over-expenditure \$12,848, according to the accounts under that particular head, but hon. gentlemen will bear in mind that we should also credit that account with the \$50,000 which is taken for "Unforeseen and Unprovided," because a large portion

of the expenditure under the head of Miscellaneous is of the character intended to be covered by that vote. The total estimated expenditure, then, under the Supply Bill was \$2,733,427, and the actual amount spent under the Supply Bill was \$2,693,525, or \$39,902 less than appropriated. (Applause). Now, comparing our expenditure with our receipts ; we estimated, as I said before, our expenditure at \$2,733,427 ; our actual expenditure has been \$2,693,525. Our receipts have been \$2,697,420, or our receipts have exceeded our expenditure under the Supply Bill by the sum of \$3,895. (Applause). This I consider a very fair showing. As I mentioned before, we anticipated, when I made my last Financial Statement, that we would have an over-expenditure of \$150,000, or, to give it more particularly, \$148,000. But that estimated deficit has been turned into a surplus of \$3,895 under the Supply Bill. (Applause). That has been mainly owing to the sale of timber limits, which took place in the fall of last year. We are, therefore, in a better position than we anticipated by \$151,894.

Mr. MERRICK.—What were the actual cash receipts from the sale of timber limits ?

Hon. A. M. Ross.—The amount included in the Revenue from Crown Lands received in the sale of limits was \$148,585, so that even if we deduct this sum from the deficit anticipated last year, and note that we have a surplus of \$3,895, it shews that even leaving the sale out altogether the Province is still \$3,339 better off than we expected. (Applause and Opposition laughter.) The point I wish to make is that if we are \$151,000 better off than we anticipated, to a large extent due to the sale, if we had had no sale at all, our position would still have been better than anticipated or estimated.

Our estimated receipts from Crown Lands were \$600,000. This did not include any estimate from timber sales. The amount we received was \$736,864, of which, as I have said, \$148,585 was from the timber bonuses, leaving the receipts from Crown Lands, outside of the sale, \$588,279 or within \$11,721 of the sum we estimated and expected. (Applause.) Now, Mr. Speaker, I think, considering that the lumber trade has not been in a very flourishing condition during the past year, although hopeful signs of improvement were noticeable during the latter part of the season, the receipts from Crown Lands were very fair, and ought to be satisfactory to the House. I suppose, judging from the "hear, hear," with which the

honorable gentleman greeted my reference to the timber sale, that this sale will be taken advantage of, to again air the novel doctrine laid down by the Honorable member for Grey and others on that side of the House during the last two Sessions, that the Province was going to ruin, living upon capital and wasting our patrimony, because the proceeds of land and timber sales have been treated as part of the ordinary revenue of the Province, and not laid aside and invested in interest-bearing securities. I think I have heard from the honorable member for Grey, that Sandfield McDonald treated such incomes as capital to be invested but not expended; that only the interest on it should be used as ordinary revenue. I have looked into this matter and am I certain that the Honorable gentleman cannot point to a single expression of any member of Sandfield McDonald's government propounding any such doctrine, and I am further satisfied that if ever hon. gentlemen lay down such a principle as that on which to appeal to the people, the people will give them no opportunity of carrying it into effect. (Applause.)

The contention of Honorable gentlemen opposite is that the expenditure of any of the moneys derived from sales of land, even although such expenditure is for objects of permanent advantage to the Province, is improvident and a living upon capital, and a Government ought to be condemned for making such a disposition of the receipts. What does the adoption of such a principle involve and what would be its effect? Last year I gave to the House figures shewing the increased grants made by the Reform Administration over those given by Sandfield Macdonald, that while these grants appear in the Public Accounts as increased expenditures, they are really grants to the different Municipalities for the purpose of relieving local taxation. Now one of the first fruits of the policy laid down by the Hon. member for Grey would be an increased local taxation, because hon. gentlemen must recognize that the revenues of the Province outside of those from Crown Lands would not have permitted the Government to give these grants, and the deficiency would have to be made up by local taxation. The amounts of these increased grants are :—

Education	\$2,031,273
Agriculture and Arts.....	430,362
Hospitals and Charities.....	334,986
Public Institutions.....	3,430,917
Administration of Justice.....	296,513

These increases in the amounts granted for the relief of local taxation will make \$6,524,051. (Applause.) This is just about as large as the whole net receipts from the Crown Lands Department for the same years. I say then that these grants could not have been given if the policy the hon. gentleman opposite has been advocating had been carried out. I ask, therefore, would the people of Ontario have consented to be deprived of these grants for local relief in order that the amount might have been deposited in banks or invested in bonds to lay up a fund for posterity? I do not think the people would approve of such a course; and even if the hon. gentlemen were on this side of the House, I do not think they could carry out the policy, for not carrying out which they are condemning the present Government. It may be said that these expenditures are of a temporary character, and I grant this so far as admitting that they leave no available marketable asset behind. But I doubt if it will be denied that the grants to Education and Agriculture leave in the increased intelligence of the people educated, and the improved methods of agriculture promoted, a much more valuable asset to the country than can be represented by a bank certificate or a Government or municipal bond. (Applause.) But I will meet the criticism on a purely commercial basis, and I will shew that every dollar received from Crown Lands and timber limits has been re-invested in permanent and tangible assets of far more value to the Province than the land and timber. We have received, from 1872 to the present time from lands sold, \$2,809,186; of that \$1,028,054 was for interest on arrears. I believe, according to the admission of hon. gentlemen opposite themselves, interest would have been properly expended; so, deducting interest, the net receipts representing Crown Lands sold would be \$1,781,132. Then from woods and forests we received \$7,630,902. We have to deduct from this an item which does not represent capital expended, wasted or used. This is ground rents, \$514,051, leaving receipts from woods and forests, \$7,116,851. But we are also entitled to deduct some other items in order to shew the net receipts. It is a matter of impossibility that sales of Crown Lands can take place and revenue be derived from timber unless there is some machinery for the purpose of making these collections. We cannot sell land if it is not surveyed, and, therefore, the amount of the survey has to be taken into consideration. And we must have persons to keep books, collect dues, Crown Lands and Timber

Agents, Forest Rangers, and, therefore, for the purpose of shewing the net receipts, it is necessary to deduct the cost of management and collection and refunds. The latter are moneys which have been paid into the Crown Lands Department on account of proposed sales which are not carried out and the money refunded. I therefore deduct:—

Refunds.....	\$ 228,033
Expenses of Crown Lands Department.....	714,694
Outside expenses, such as surveys agents, etc	1,078,016

The total of these three items is \$2,020,743, leaving the receipts, after deducting the legitimate expenses, \$6,877,240.

RECAPITULATION.

Total Receipts from lands sold, 1872 to 1885,.....	\$2,809,186	
Less interest included therein,.....	1,028,054	
	<hr/>	\$1,781,132
Receipts from Woods and Forests, 1872 to 1885,	7,630,902	
Less Ground Rents,.....	\$ 514,051	
Cost of Collection Crown Land Department	714,694	
Surveys and Forest Ranging,	1,078,016	
Refunds,.....	228,033	
	<hr/>	\$2,534,794
	<hr/>	5,096,108
		<hr/>
		\$6,877,240

This is from 1872 to 1885. Now let us see what has been done with these receipts. We have, in the first place, public buildings. I think it will not be denied that public buildings are as valuable assets, if constructed for the necessary uses of the Province, as are wild lands or forests. (Applause.) Every financial institution would properly so classify them. We have then, during the same period, invested in public buildings \$2,958,354. These are asylums, prisons, gaols, reformatories, Normal schools for the education of teachers, agricultural colleges, registry offices in new Districts, etc. Then I think it will not be denied that a farmer, or the owner of an estate, would consider that expenditure for drainage or construction of roads was clearly a proper investment of capital, because it enhances the value of his property. The Province has expended on public works and roads and bridges \$2,096,273. I think it will also not be denied that railways are a valuable asset to the Province. They are a means of reducing the cost of the transport of the

farmer's produce and the manufacturer's implements, thereby giving them an enhanced value. They are a necessary improvement in the Province for the purpose of developing not only farming but every other industry. Therefore it is fair to say that the money invested by the Province in railways may be considered capital expended, and to which no exception can be taken. We have invested in this way, on account of railways alone, \$3,662,593, or we have properties created by an expenditure of receipts from Crown Lands, of Public Buildings, Public Works, Colonization Roads, and Railways to the amount of \$8,717,220. Or we have actually expended within the period named in these permanent assets that I have enumerated, nearly two million dollars more than we received from the Crown Lands Department for land or timber sold. (Applause.) Now I ask hon. gentlemen if there is anything in the contention they have made that we have been improvident or wasteful because we have simply transferred the capital we had in our wild lands into those more productive assets? I will only say that if that is the policy of hon. gentlemen opposite—and I am not straining their language when I say that they have clearly announced as the policy that they would carry out if ever they should come into office—that the proceeds of land and timber sales must not be spent or invested as they have been by the present Government, in works of permanent character—or in the relief of local taxation, but must be invested in interest bearing securities to yield cash revenue—they have set themselves so at variance with the true interests of the Province that it would be suicidal for the people ever to give them the power of putting it into effect. (Hear, hear.) Now, in connection with Crown Lands, I was curiously induced to look up the comparative cost of collecting the Crown Lands revenues by the Province and the Dominion respectively. I think that on a former occasion some hon. gentlemen opposite made some reference to the extraordinary cost of the collection of Crown Lands revenue in this Province, and, if I recollect aright, went so far as to say that the Department ought to be abolished altogether. Now I will give to the House what it costs per \$100 to collect our Crown Lands revenue in the Province of Ontario and what it costs the Dominion to make their collections. Our total gross collections within the period named have been \$10,440,088. The cost of surveys and management—that is, the total cost of the Crown Lands Department, and also the outside service—has been for the same period \$1,792,710; or taking the whole expendi-

ture in connection with our Crown Lands Department for the collection of revenue, it has cost us seventeen dollars for every \$100 of revenue collected. Now, how does that compare with the Dominion management? Since Confederation the total amount that they have collected from their lands has been \$4,096,175, and the expenditure of their Land Department has been, at Ottawa, \$602,915, and for their outside department \$4,043,861, or a total expenditure for purposes of collection of \$4,646,776. They have actually paid at Ottawa \$550,600 more than they received. (Loud cheers.) It has actually cost them \$113 for every \$100 that they collected, against our seventeen dollars for the collection of a like sum.

I now come to the statement of assets and liabilities. There is very little alteration in these items from those of last year. The following are the figures :—

ASSETS OF THE PROVINCE.

1. DIRECT INVESTMENTS :

Dominion 6 per cent. Bonds.....	\$500,000 00	
Market value over par value	50,000 00	
	<hr/>	\$550,000 00
Drainage 5 per cent. Debentures, invested 31st December, 1885	\$238,740 85	
Tile drainage 5 per cent. Debentures, invested 31st December, 1885.....	34,650 30	
Overdue interest on above.....	3,343 34	
Drainage work—Municipal Assessments.....	260,700 48	
	<hr/>	537,434 97
		<hr/>
		\$1,087,434 97

2. CAPITAL HELD AND DEBTS DUE BY THE DOMINION TO ONTARIO BEARING INTEREST :

U. C. Grammar School Fund (2 Vic., cap. 10)....	\$312,769 04	
U. C. Building Fund (18 section, Act 1854).....	1,472,391 41	
Land Improvement Fund (See Award).....	124,685 18	
Common School Fund (Consolidated Statutes, cap. 26)—proceeds realized to 1st July, 1867, \$1,520,929.24 — after deducting Land Im- provement Fund portion belonging to On- tario	891,201 74	
Capital declared owing to the late Province of Canada by Dominion Act (47 Vic., cap. 4)— \$5,397,503.13, bearing interest at 5 per cent. Ontario's proportion on basis of Award as advised by Finance Department... ..	2,848,289 52	
Ontario's share of Library (see Award).....	105,541 00	
	<hr/>	\$5,754,877 89

3. OTHER DEBTS DUE TO THE PROVINCE:

Balance <i>re</i> Municipal Loan Fund debts.....	\$49,891 32	
“ <i>re</i> Mortgages, Mechanics’ Institutes, Toronto, and Land at Orillia Asylum.....	7,905 08	
Balance <i>re</i> Mimico Lots.....	6,996 25	
	<hr/>	64,792 65

4. BANK BALANCES:

Current Accounts..	\$156,315 05	
Special Deposits	71,579 75	
	<hr/>	227,894 80
Total		\$7,135,000 31

LIABILITIES OF THE PROVINCE AT PRESENT PAYABLE.

1. Balance due to Municipalities <i>re</i> Surplus Distribution	\$1,845 97	
2. Balance due to Municipalities <i>re</i> Land Improvement Fund (balance of \$124,685.18—see award)	3,994 81	
3. Quebec share of Common School Fund made up as follows : Collections on account of Lands sold between 14th June, 1853, and 6th March, 1861.....	854,872 20	
Less 6 per cent. cost of Management.....	\$51,292 33	
Less one quarter for Land Improvement Fund....	213,718 05	
	<hr/>	265,010 38
		<hr/>
Collections on sales made since 6th March, 1861..	\$305,324 58	
Less 6 per cent. cost of Management	18,319 47	
	<hr/>	287,005 11
		<hr/>
		\$876,866 93
Quebec’s proportion according to population of 1881	363 069 24	
	<hr/>	
Total.....		\$868,910 02

Now, hon. gentlemen will see that there is a considerable reduction under the heading, “ Balance *re* Municipal Loan Fund Debts.” from the estimate of last year. That estimate was placed at \$86,976, while the asset this year is only \$49,891. In the first place some \$2,647 have been paid in by the Township of Hope, and in the next place an arrangement has been made with the Town of Cobourg to allow a reduction of their debt, and though it has not been finally consummated, and I might even have been justified in placing the amount as it was in last year’s statement, I thought it would be only fair to place the reduced amount we expect to receive. The arrangement is that they shall issue new debentures to take the place of the old, and we have agreed to allow them the interest that has accrued as a

rebate. We are to receive from them some \$40,000 instead of \$80,000, making a reduction of some \$40,000. I expect to be in a position to lay the whole matter before the House for its concurrence before the close of the session. It will be seen that the Bank Balances are reduced by about \$40,000 below last year's figures, which represents really the extent to which we have drawn upon our surplus. From the statement I have made it will be seen that our total assets are \$7,135,000, and our total liabilities \$368,910, leaving a surplus of assets, after deducting liabilities presently payable, of \$6,766,090. (Loud applause). As this question of Assets and Liabilities has been discussed on former occasions, I will not detain the House by travelling over the same ground.

Now, it has been the burden of the criticism made by hon. gentlemen opposite against the financial administration of the Government, that the increase in expenditure is going on from year to year. That charge has been made over and over again in various ways, but I intend, for the purpose of showing how these increases must take place from year to year, to bring before the House the various increases for new items of expenditure that have become an annual charge on our revenue from 1872 to the present time. I will briefly recite the different items, and I do not think hon. gentlemen will be able to put their finger upon one that they can say is not necessary to the proper administration of the public service, that ought not to have been undertaken, and that is not in the interest of the Province. In 1872 the School of Practical Science came first into operation, involving, as it does now, an annual charge of \$6,000. I think I may say that the increasing popularity of that Institution shows that it was a wise move on the part of the Government to establish it, and that it was an expenditure that could not be avoided. Then in the same year was adopted the policy of insuring our public buildings. Now the question of insuring the buildings of the Government is one that may fairly be open to question, and I am bound to say that there may be differences of opinion in reference to it, but at any rate that policy has been pursued, and the item has now become an annual charge. However, we have derived considerable sums from the insurance of buildings which have been destroyed during that time. That involves an annual charge of about \$11,000 upon the public revenue. In the same year we also established an Asylum for the Blind at Brantford, involving an annual expenditure of \$34,500. Then, in 1873, was introduced the

system of the inspection of Division Courts. I am aware that considerable criticism was made at the time to the creation of that office, but that opposition was, I think, directed mainly to the individual then appointed, rather than against the necessity for some such supervision, and of late years I think public opinion has decided that it was a proper appointment and a proper expenditure. Then in 1874 the first expenditure appeared, in connection with the Agricultural College, involving an annual expenditure of about \$36,000. It was the first time that the agricultural education of farmers' sons had been undertaken by the Province. There has been a great deal of criticism in connection with that College; criticism that, I am sorry to say, has, I think, been rather of a hostile spirit than with a view of making the Institution a success, but whatever may have been the object of that criticism I think no one will now say that an institution of that kind designed to educate farmers to a more advanced system of agriculture, is not a necessity and should not be maintained. Then in the same year, 1874, we assumed the duty of maintaining the Central Prison, which entailed an unavoidable expenditure of \$80,000. Then, in 1885, in consequence of annoyances and extortions suffered by visitors to Niagara Falls, an expenditure of \$7,500 for Provincial frontier police at that point was entailed. In 1876 the Court reporters were appointed, upon the recommendation of the Judges. This caused an annual expenditure of \$11,500, and I think to-day any one acquainted with the business done in the Courts will say that it has been an expenditure that has greatly facilitated the speedy administration of Justice. The establishment of this system of reporting has secured to the different localities a saving of expense in witnesses' fees and jurors' fees fully commensurate with the expenditure. In the same year there was the new charge of the revision of the voters' lists, causing an annual expenditure of \$2,000. In 1877 we undertook to pay the expenses in connection with the Judges for Grouped Counties in order to facilitate the administration of justice and assist the over-burdened County Judges, and this necessitated an annual expenditure of \$2,000. During the same year we established the County Model Schools and Teachers' Institutes, entailing a charge of \$10,000 a year. In 1878, in accordance with the strongly expressed wish of the people that some more stringent regulations in regard to the liquor traffic should be adopted, the management of the license system was taken out of the control of the municipalities, and a new de-

partment—the License Branch—was established, making a new annual charge of \$5,800. In 1880 we had the Mercer Reformatory opened, as a result of the praiseworthy desire of the Government to reclaim fallen women. The cost of the building was paid out of the Mercer estate, but its maintenance forms an annual charge on the Province of \$30,000. In 1881 a new charge was created by the commutation of fees of Surrogate Judges and Local Masters. I think that most of those connected with the courts will say that this was a wise change. The annual expenditure thus made necessary was \$19,000. On the other hand our revenue was increased by an amount about equivalent to this derived from the sale of stamps.

Then in 1882 the Board of Health was established, and I think the occurrences of last year need only be mentioned in order to show the wisdom of that step. It was felt that the people in the different localities were not strongly enough impressed with the necessity of preventive measures against epidemics, and other matters in regard to the public health, and it was thought advisable that a Board should be appointed to stir up the local authorities. I may illustrate the usefulness of this Board by mentioning the outbreak of smallpox which took place in the township of Hungerford last year. The outbreak was of a serious character, and had gained great headway before it was brought to the notice of the Provincial Board. But when the energies of that Board were directed against the disease it was stamped out in a very short time. The importance of the functions of the Board will appear all the more clear when we recollect the unfortunate position in which Montreal was placed last year and the large expenditure incurred both by that city and the Province of Quebec solely on account of the lack of such organization as we have in Ontario. (Applause). I believe that the expenditure of the City of Montreal on account of the smallpox during 1885 was \$150,000; and, as regards the mortality, the Secretary of the Board of Health of Montreal estimates that the deaths in the city were 3,500, in the suburbs 1,500, and in other parts of the Province 3,000, making a total of 8,000. Compare this record with that of Ontario, and you will see what a benefit our health organizations have been. We had the closest business relations with Montreal, and it was expected that the epidemic would certainly extend to this Province; yet, during 1885, we had only 138 cases and only 18 deaths. (Applause). That result, gratifying to the extent of the small number of deaths, that comparative immunity from the terrible scourge of smallpox, has been secured by a very small

expenditure. I believe the expense in connection with the Hungerford outbreak was only \$3,434, and in connection with the Montreal epidemic there was paid in 1885, \$6,993. This year we have an estimate of \$6,000 to cover the balance of expenses incurred in connection with the Montreal epidemic. This makes a total of \$16,427, which will represent the whole expenditure of the Province in connection with the Hungerford and Montreal outbreaks ; while, as I said before, Montreal spent \$150,000 in connection with the outbreak in that city alone. In the same year, 1882, was established the Bureau of Industries. This supplied a want much felt, not only by the farmer, but by artisans, manufacturers, buyer, shipper and importer. The annual reports of the Bureau form a compendium of agricultural, manufacturing, and labour statistics, such as must be of great value to all those classes, and I believe I am justified in saying that the work of the Bureau is thoroughly appreciated in all parts of the Province. That has involved an annual charge of \$12,500. In 1884 the inspection of judicial offices was undertaken at an annual cost of \$2,500. Now, in 1885 there was no distinctly new branch of expenditure, although a new estimate was taken for the Farmers' Institutes, a step which I think will receive general and hearty approval. So that in the period I have mentioned, namely, from 1872 to 1884, we have undertaken new branches of expenditure, established new branches of administration, and incurred an increased annual expenditure of \$281,800. I ask, hon. gentlemen, now that I have gone over these new expenditures, if they can point to a single one which should not have been undertaken. (Applause). Then, in addition, we have had large increases of expenditure in connection with asylum and Normal School accommodation. We have had new asylums built in Kingston, Hamilton and Orillia, necessitating an additional annual expenditure of \$177,000. Besides this, there were large additions made to the older asylums, necessitating increased expenditures, which I do not take into account at all. All these other matters which I have mentioned, new asylums and new departments of work, have increased the expenditure by \$458,800, and there is not an item in that list which can be said to have been improvidently undertaken or extravagantly managed. Then we have also new responsibilities which we must expect will go on increasing, in connection with the administration of justice in the new districts. But I will not detain the House further than to say that in 1871 the expenditure under this head was \$9,908, while now it amounts to \$50,709.

Now I turn to our estimated receipts.

ESTIMATED RECEIPTS—1886.

Subsidy	\$1,196,872 80	
Interest on capital held and debts due by the Dominion to Ontario	\$279,111 10	
Interest on investments.....	40,000 00	
	<hr/>	319,111 10

CROWN LANDS DEPARTMENT:—

Crown Lands.....	\$ 55,000 00	
Clergy Lands.....	5,000 00	
Common School Lands.....	14,000 00	
Grammar School Lands	1,000 00	
Woods and Forests.....	625,000 00	
	<hr/>	700,000 00

PUBLIC INSTITUTIONS:—

Toronto Lunatic Asylum.....	\$ 32,500 00	
London “	7,500 00	
Kingston “	2,800 00	
Hamilton “	5,500 00	
Orillia “	1,400 00	
Reformatory for females.....	4,600 00	
“ boys	600 00	
Central Prison	35,000 00	
Deaf and Dumb Institute.....	200 00	
	<hr/>	90,100 00
Education Department.....	\$ 30,000 00	
School of Practical Science	1,000 00	
	<hr/>	31,000 00
Casual Revenue.....	\$ 32,000 00	
Licenses.....	200,000 00	
Law Stamps.....	67,000 00	
Algoma taxes.....	4,000 00	
Drainage Assessment.....	20,000 00	
Municipal Loan Fund....	49,891 32	
Insurance companies' assessments.....	3,000 00	
Assessments of counties <i>re</i> removal of lunatics....	6,000 00	
Agriculture and Arts Association <i>re</i> Agricultural Hall.....	2,000 00	

Total	<hr/>	\$2,720,975 22
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In my estimate I place the subsidy at the same as the year before ; the interest on capital and debts due by the Dominion is also put at the same amount. The interest on investments we place at \$40,000. Last year we

anticipated that we should obtain \$50,000 from interest on investments, and realized that sum. But I am constrained to say that the banks will not allow us interest at the same rate as formerly. Last year we got four per cent.—formerly it was five—but this year they have insisted on a reduction to $3\frac{1}{2}$ per cent., and that is why I anticipate \$10,000 less than the year before. This makes a total of \$319,111.10 interest on investments, and interest on capital and debts due by the Dominion. From the Education Department I anticipate \$31,000, which is a reduction of \$7,000 from what we received last year. The amount from Licenses I place at \$200,000. It will be noticed that our receipts last year for license fees were only \$162,000, and it may very naturally be asked, as a large number of additional counties have adopted the Scott Act, how we expect to derive from a reduced area a larger sum than we got in 1885. In 1884 an increase of the license fees was strongly urged upon the Government and the Government acquiesced. But the general opinion is that the Government did not go far enough. We have had representations both from advocates of the Scott Act and the opponents of the measure, that an increase in the license fees over that made in 1884 would be a desirable thing. It is urged that a moral advantage would result from this in the decrease in the number of houses for the sale of liquor; and that it will be, in the second place, a better guarantee for the observance of the law by the persons holding the licenses, because they will be more particular to see that they do not do anything to forfeit the license if it is made more expensive. Now, to show that an increase in the license fees results in the number of licenses decreasing, I will just refer hon. gentlemen to the report of the operation of the Liquor License Laws. The increase in the license fees in 1884, resulted in a decrease of 115 in tavern licenses, 106 shops, 8 wholesale, and 7 vessel, or 236 in all.

Mr. MEREDITH,—What did the Scott Act do?

Hon. A. M. Ross.—This report is to April 30th, 1884. The Scott Act was not in force then, with the exception of the County of Halton, where it had been in operation for some years, and it therefore could not have effected a reduction in the number of licenses, and I think it will be fair to assume that the reduction is wholly due to the increase in the fees.

Mr. MEREDITH.—The applications were less.

Hon. A. M. Ross.—Certainly the applications would naturally be less in view of the higher fees to be paid. There is no doubt of that. We

propose now to make a still further increase in the license fees, and I will read the increases which are proposed to be made. In the scale which I am about to read we have thought it better to make a distinction between cities of under 20,000 inhabitants and those over 20,000, just as we do between a town of 3,000 or 4,000, and a city of 10,000 or 12,000.

TAVERN AND SHOP LICENSES.

	Old Statutory fee.	1884 fee.	1886 fee.
City over 20,000	\$100 00	\$160 00	\$250 00
City under 20,000.....	100 00	160 00	200 00
Town	80 00	100 00	150 00
Village.....	60 00	80 00	130 00
Townships	60 00	72 00	100 00

Then for saloons in cities we propose to make the fee \$300.

Mr. MEREDITH.—Wipe them out altogether.

Hon. A. M. ROSS.—There is no doubt that very strong and urgent representations have been made to the Government in that direction. If they cannot be done away with altogether I think we are going in that direction when we make the saloon licenses higher than any other. We, therefore place them at the figures named as the minimum, leaving the municipalities to raise them if they wish. Then they will stand:

<i>Saloons.</i>	Old Statutory fee.	1884 fee.	1886 fee.
Cities	\$100 00	\$160 00	\$300 00
Towns	80 00	110 00	250 00

Wholesale.

Cities over 20,000	150 00	225 00	300 00
Cities under 20,000, and towns	150 00	225 00	250 00

Vessels.

Great Lakes.....	100 00	125 00	175 00
“ Wine and beer only ..	50 00	62 50	87 50
Inland waters.....	60 00	85 00	100 00
“ Beer and wine only...	30 00	42 50	60 00

Now, these amounts, I may say, are not so high as have been asked by those who have made representations to the Government in the interests of temperance, but they are as high as the Government felt that they were in a position to go at the present time. It must be borne in mind that

out of the old statutory fee the municipality was entitled to two-thirds and the Government to one-third only, and the increases above the old figure will now all go to the Government. Now, sir, I know that the complaint will be made that we are interfering with municipal rights, and that the effect will be to reduce the number of licenses, and consequently the revenue of the municipalities from that source. Now I think that if we refer to the same report to which I have already referred, we shall find that this assertion is not borne out by the figures. We shall see that the operation of the rise made in 1884, although it made an increase of revenue to the Government, made no reduction in the revenue to the municipalities. I will give the figures from the report :—In the year 1882-3, that is the year ending 30th April, 1883, the total revenue derived by municipalities from licenses was \$284,379 ; in 1883-4 it was \$287,246. In 1884-5, which is the year in which our increases took effect, the Municipal Revenue was still \$283,589, or only about \$1,000 less than it was in 1882-3, and that small reduction was not really due to the fact that we had raised the licenses, but that there was a reduced number issued ; that notwithstanding that there were 236 less licenses issued under the operation of the Act of 1884; the municipalities still received within a few hundred dollars the amount of revenue they had before, so that shows that our Act of 1884 did not interfere to any extent with the Municipal Revenue, while, as I said before, the municipalities have still the power of increasing the licenses. Now, I may say that, although it may be said that we have placed the city licenses at a pretty high figure, they are not now as high as they are in cities in the neighbouring Province of Quebec. In Montreal the licenses for shops and hotels range from \$200 to \$400, and every cent is taken by the Government, not a cent going to the municipality. There the licenses are in accordance with the assessed value of the properties, the minimum being \$200 and the maximum \$400, and, as I said before, the whole is appropriated by the Provincial Government. Now, it may be said that the fees are being placed so high that the municipalities will not have any opportunity of getting any additional revenue by making any increase in the fee beyond the minimum that we have fixed. But I think that from a statement which I have from the License Branch, showing what licenses have been imposed by some of the municipalities already, we shall see that this traffic or business will bear a much higher tax than the one we have imposed. We have fixed the cost of a license in cities under 20,000 inhabit-

ants at a minimum of \$200. The City of Brantford has placed the cost of a license at \$260. The City of Belleville placed its licenses at the same figure. Then I may instance the Town of Chatham, which has made the hotel license \$360, and its shop licenses \$410. I merely give these to show that there is still a fair margin left, even in the opinion of the municipalities themselves, upon which increases can be made for the purposes of their revenue. I think, sir, that considering that now the Government have taken into their own hands the administration of the license law, they may fairly expect to receive one-half of the revenue derived from licenses, and by the operation of this change the increase will just about give us that, perhaps hardly that; but as I showed that in 1884 the total revenue derived by municipalities was \$283,589, we only expected to receive as the Government proportion \$200,000, so that we are not taking one-half of the revenue, but are leaving a good margin for the municipalities to secure a larger revenue than is collected by the Government.

Now, taking up again the statement of estimated receipts, which I have given in full; the \$49,841 under the head of Municipal Loan Fund is made up of two amounts that are due, one by the Town of Cobourg and the other by the City of St. Catharines. I anticipate that during this year both of these amounts will be paid. The Town of Cobourg have agreed to issue new debentures for the amount of \$42,768. These debentures if received in accordance with the understanding will be disposed of. And this, together with the amount due and which we expect to receive from St. Catharines, will wipe out altogether the item in connection with the Municipal Loan Fund. The item of \$2,000 due from the Agricultural and Arts Association will also be received this year. Our total estimated revenue is therefore \$2,720,975.22. Now, from the Estimates in the hands of hon. gentlemen, it will be seen that our estimated expenditure this year is \$2,962,514. Apparently, therefore, taking the estimated receipts on the one hand, and the estimated expenditure on the other, there will be a deficiency of \$241,539. I may say that the Estimates of expenditure are framed with the intention that they shall not be exceeded. We have taken liberal estimates, and I think that on the whole we shall find that the amount will not all be expended. At the same time it is our duty to make provisions for the estimates that we are asking the House to vote. Then, in addition to the expenditure under the Supply Bill, we have other expenditures which have to be provided for. We have

the 40 year annuities falling due, amounting to \$27,400 ; we have the interest payable on account of the Land Improvement Fund to municipalities, about \$93,000, which we have announced we are going to pay this year. Adding these two sums to the Supply Bill, we have an approximate deficiency of \$361,139. Then, I suppose there will be something in the Supplementary Estimates, so that for the information of the House we place our estimated deficit this year at about \$400,000. But it must be borne in mind that the estimates this year contain some very exceptional expenditures. In the first place, under the head of Public Buildings, we are asking \$195,000 for new asylum buildings at Orillia and Hamilton, and I think I may safely say that for some years to come we shall not be called upon to make any further expenditure of this kind. An examination of the report of the Inspector of Asylums leads to the expectation that the expenditure we now ask will provide accommodation for many years to come. Then we have also an extraordinary expenditure of \$40,000 for consolidation of the Statutes, a work that will not occur for another ten years to come. We have also an expenditure in connection with the coming Colonial Exhibition in London, England, of \$13,000, which is exceptional. We have also a large increase of expenditure in connection with administration of justice. I have referred to that before, and I may say now that the anticipation would be natural that the period of depression that we are now undergoing will soon pass away, and I think we may expect that in a few years we will get back to the normal amount of the cost in connection with criminal justice, our estimate this year is more than \$40,000 in excess of the expenditure in 1883, so we will put that amount in as an exceptional expenditure this year. Then we have this \$93,000 on account of the Land Improvement Fund which will not occur again. Then there will be the cost of the new buildings at the Agricultural College, destroyed by fire ; so that I think these figures that I have given will bring up the amount of the exceptional expenditure to \$401,000, or just about the amount of the deficiency that we anticipate. Now, on a former occasion I pointed out to the House that it is impossible for the Government to meet the growing wants of the Province upon a stationary revenue. There are several means by which when a deficiency occurs, that deficiency may be met. One may be to seek new sources of income open to us under the Confederation Act. Another might be to reduce the annual charge on revenue by withholding the

grants which we now make to many deserving undertakings, or by transferring to the municipalities a portion of our expenditure in connection with public institutions. The hon. member for London, the leader of the Opposition, suggested that as one plan which he thought ought to be adopted. In a former debate he thought the Government should shift a part of the responsibility for the maintenance of lunatics, etc., upon the municipalities. There is no doubt that Ontario deals much more liberally in regard to this than any other country we know of. I have formerly referred to the practice both in Great Britain and the United States. They charge the municipalities with a large portion of the expense of the maintenance of these unfortunates in the asylums. In the Province of Quebec they have of late years adopted this principle, and they now charge one-half to the municipalities from which they come. In the Lower Provinces this has been the practice for years, and not only as regards maintenance, but also a portion of the expenditure in the construction of the buildings. Then there is a third course which might be taken by the Government to meet this deficiency, and that is to draw upon the surplus that we have on hand. That is the course which the Government propose to take on this occasion. (Hear, hear). We do not consider that it would be advisable at the present time to shift any responsibility upon the municipalities, as we have a reserve fund on hand from which we can take the excess of expenditure.

Now, I regret, Mr. Speaker, that I have again to announce, as it has been officially announced in the Speech from the Throne, that no progress has been made in the settlement of the accounts with the Dominion. I can assure hon. gentlemen that it is from no lack of endeavour on my part. Last year I informed the House that at the meeting held in September, 1884, at Ottawa, between the Finance Minister, the Treasurer of Quebec, and myself, we had arranged that as the allowance for interest upon the surplus debt, which has been assumed by the Dominion, would make a material difference in the accounts as formerly submitted, the Deputy Finance Minister should make a re-cast of the accounts with the modifications this would necessitate, leaving out the Indian claims which he agreed should be put in a suspense account. That statement was promised by December of that year, but although I have repeatedly applied for it, and have done everything I possibly could to get it, I have not yet received it. No doubt some excuse might be made for

the delays last year—the late period at which the House broke up, Sir Leonard Tilley's absence in England, and his illness after his return, etc.—but we cannot close our eyes to the fact that there seems to be a certain amount of inertia in regard to this matter that it is impossible to overcome. I have endeavoured, also, to get the consent of the Dominion and Quebec to the Land Improvement Fund on Crown Lands being credited to Ontario and allowed to us, but as I mentioned last year, the Treasurer of Quebec stated that he did not wish to acquiesce until he had had an opportunity of consulting his Attorney-General. I have repeatedly urged for and endeavoured to get a definite statement from them as to the position Quebec would take in this matter, but have failed to obtain it. I may mention, however, that in the Treasurer's Budget Speech in March last he intimates that he will resist to the uttermost this amount being credited to Ontario. And I therefore regret to say that I think that the matter will have to be brought into the Courts before we can effect a settlement. I am sorry for this, as the Municipalities are pressing for payment. I have urged that the amount should be placed to the credit of Ontario in the accounts furnished to us, leaving Quebec to dispute it if they choose. But I may say, for the benefit of these Municipalities, that so soon as the amount is paid to the Province we will pay it to the Municipalities. Until we know that it is going to be allowed us—until we are assured that it is an asset that we are going to receive—we cannot pay it over to the Municipalities. I explained before, but in consequence of the number of communications which I have received I will repeat, that there are two classes of lands that are subject to this Fund. The one is School Lands, the other is Crown Lands. It is the School Lands that we are now going to pay the interest on. It is the Crown Lands which are now a matter of dispute. The item of School Lands has been credited to the Province, and as it is admitted to be a debt due us, we intend to pay it to the Municipalities. But the Land Improvement Fund upon Crown Lands is a fund which is not allowed to us, and one which Quebec is evidently inclined to dispute and resist. Now, in these remarks which I have made in reference to these accounts, I do not wish to reflect upon the officials at Ottawa; in fact I believe that Mr. Courtney is desirous of getting rid of these unsettled accounts just as much as we are, and the circumstances which I have mentioned as having occurred may perhaps be some excuse for delay, but I trust that these delays will not continue. I am satis-

fied that it is a source of great regret, not only to the Government, but to the Province, that we have not been able to get a settlement, nor to know what our position is.

It is impossible to close one's eyes to the fact that in the issues we have had with the Dominion, it seems difficult, in some cases impossible, to make speedy progress, and in several of these cases the delays have inflicted gross injustice on the Province, and all have involved the Province in needless expense. The refusal of the Dominion to ratify the Boundaries of the Province fixed by the Arbitrators, which Boundary has been declared by the Privy Council to be the true Boundary, has prevented the settlement and the development of that country for eight years and involved the Province in unnecessary expenditure of fully \$75,000 ; and even after the Privy Council have declared the Boundary, it seems impossible to move the Dominion to take any steps to confirm it. The totally uncalled for intrusion of the Dominion Government into our license affairs, and its refusal to withdraw, even after the decision in the Hodge case, and of the Supreme Court on the McCarthy Act, had demonstrated beyond doubt that the intrusion was illegal and unjustifiable, has for some years thrown the administration of the License question into confusion, and put the Province to large cost in defending itself against this unjustifiable attack. The latest wrong of which Ontario has to complain, is that after Sir John himself declared openly in the House of Commons in 1881, "That if the disputed territory was given to Ontario the land and timber "on that territory would belong to Ontario." He is now, after the territory is decided to be ours, disputing in the Courts, rights which he formerly acknowledged, is arbitrarily, against our protest, assuming to improvidently make grant of that land and timber, and in addition to grasping a revenue which clearly belongs to Ontario, compelling us to incur large costs in defending our rights. These contentions which have been forced upon Ontario, have involved in the defence of her rights an expenditure of over \$100,000. I notice in the Budget Speech of the Hon. Treasurer of Quebec to which I have referred, a statement which I will read to the House. It is this :—

"In view of the case going to the Privy Council I thought that inasmuch as the whole difficulty as to the license question arose from the Dominion Parliament interfering with Provincial Rights, and that so far the judgment of the Provincial Courts, almost without exception, and of the

Supreme Court, being in our favour, that we should not be obliged to pay out money to defend our rights in England. I represented this view of the question to Sir John A Macdonald, and he agreed that the Dominion would pay all the costs incurred in carrying the license case to England, where we will take good care to be fully represented."

Although we have had no similar intimation that the expenses incurred by Ontario for this purpose will be paid by the Dominion, I cannot conceive it possible that repayment will be allowed to Quebec without it being allowed to Ontario. I expect, therefore, as Quebec is to get the amount refunded, Ontario will also meet with the same treatment. I am glad to see that the Dominion Government have recognized their liability to reimburse Provinces for the expenditure on account of these disputes, forced upon them by the unwarranted interference of that Government. Ontario will have a little bill to present in regard to the Boundary Award, the License and other questions. The actual disbursements amount to \$100,000. In addition to that I think we have a good claim on the Dominion for loss sustained in consequence of the unwarranted contention of the Dominion in regard to the Boundary. In consequence of that the progress of that northern country has been kept back, and its settlement retarded; and we have been deprived of the revenue from that territory.

Mr. MEREDITH.—Ha, ha !

Hon. A. M. Ross.—Even now I am sorry to see that the hon. gentleman thinks it is a matter of mirth that the Dominion Government are, according to their own statement, retaining in their hands something like a hundred thousand dollars received for timber sales in that territory, which rightfully belongs to Ontario. I think it is a matter which deserves the serious consideration of the House, and I trust that if we present a claim to the Dominion, we will have the assistance of hon. gentlemen opposite, to see that we get justice. If the Dominion Government have recognized their liability for the amount spent by Quebec in defending their rights, they cannot refuse to refund Ontario the amount we have incurred in standing up for our rights in these issues, and I say that I hope that we will have the influence of the hon. member for London in pressing these claims, and that having once given us that influence, he will continue to give it to us. Mr. Speaker, I will not detain the House longer. I have now taken up more time than I expected, but I may say that the House may be con-

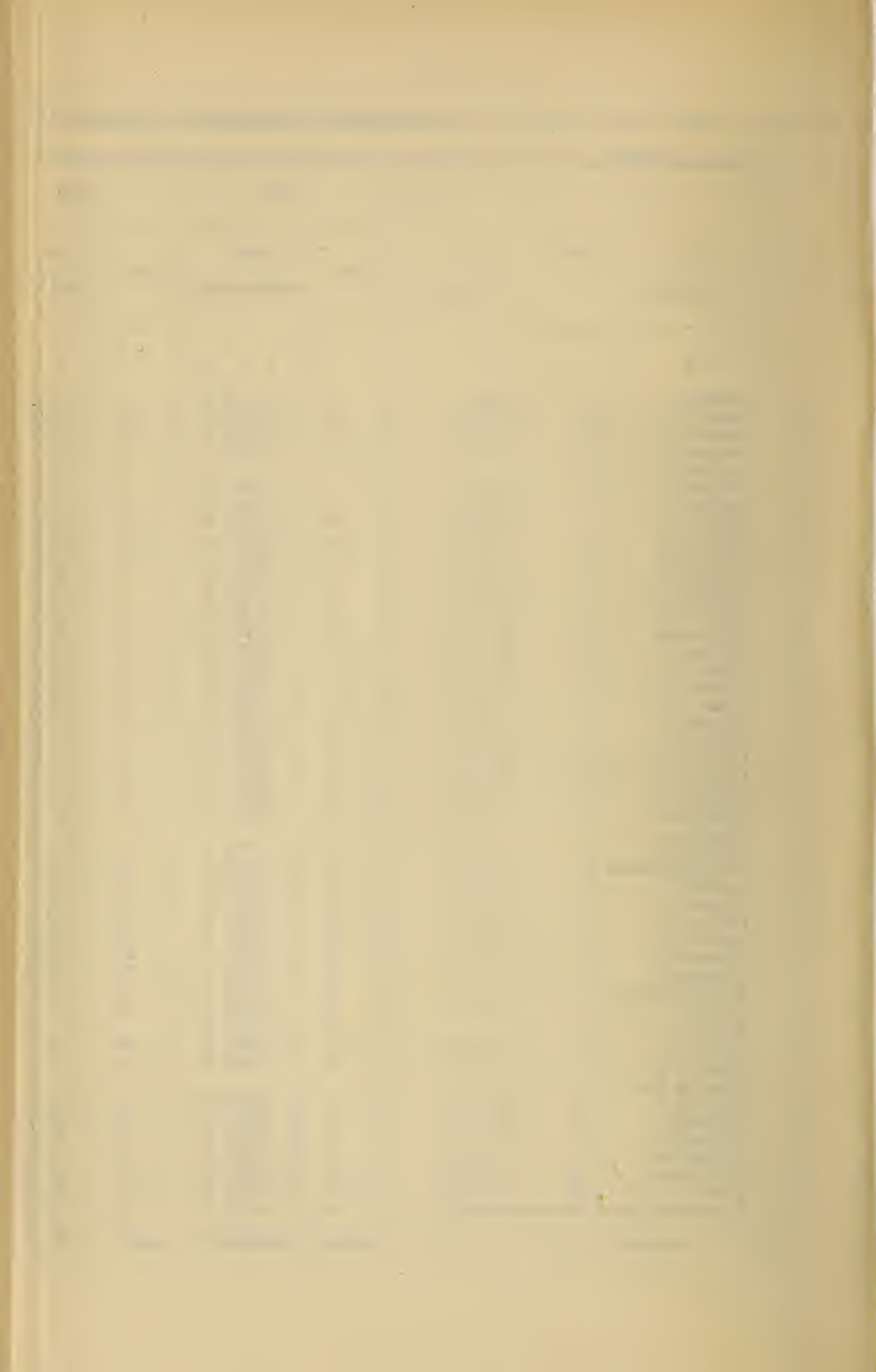
gratulated upon the result of last year's operations. We have met all the expenditure under the Supply Bill out of the ordinary revenue of the Province, and taking even the expenditure outside of the Supply Bill, such as the \$35,000 paid to Quebec, &c., we have only been required to trench upon our surplus to the extent of something like \$40,000. This year we expect to trench upon that reserve to the extent of some \$400,000, and it is well that we have a reserve that we can have recourse to in such an emergency as this ; but I think it is necessary to impress upon the House that we have arrived at a period when our expenditure is fully equal to, if not in excess of, our revenue. And it is therefore necessary that the House should scrutinize with the greatest care any demands made upon the Government, and not countenance such demands unless they are clearly in the public interest, for the public weal, and within the financial ability of the Province. That is one of the principles upon which my honourable leader the Attorney-General has conducted the affairs of the Province for the last thirteen years, and I think that the record he can point to during these thirteen years' administration, if not perfect in every respect, is one that we can point to with a pardonable degree of pride and with the greatest gratification.

Mr. Speaker, I conclude by moving that you do now leave the Chair.

APPENDIX.

STATEMENT shewing the number of Lunatics in residence in the Provincial Asylums each year since 1871, the Counties they were admitted from, the Cost of maintaining the Asylums, and the amount of Benefit derived by each County, each year, and in the fifteen years, 1871-1885.

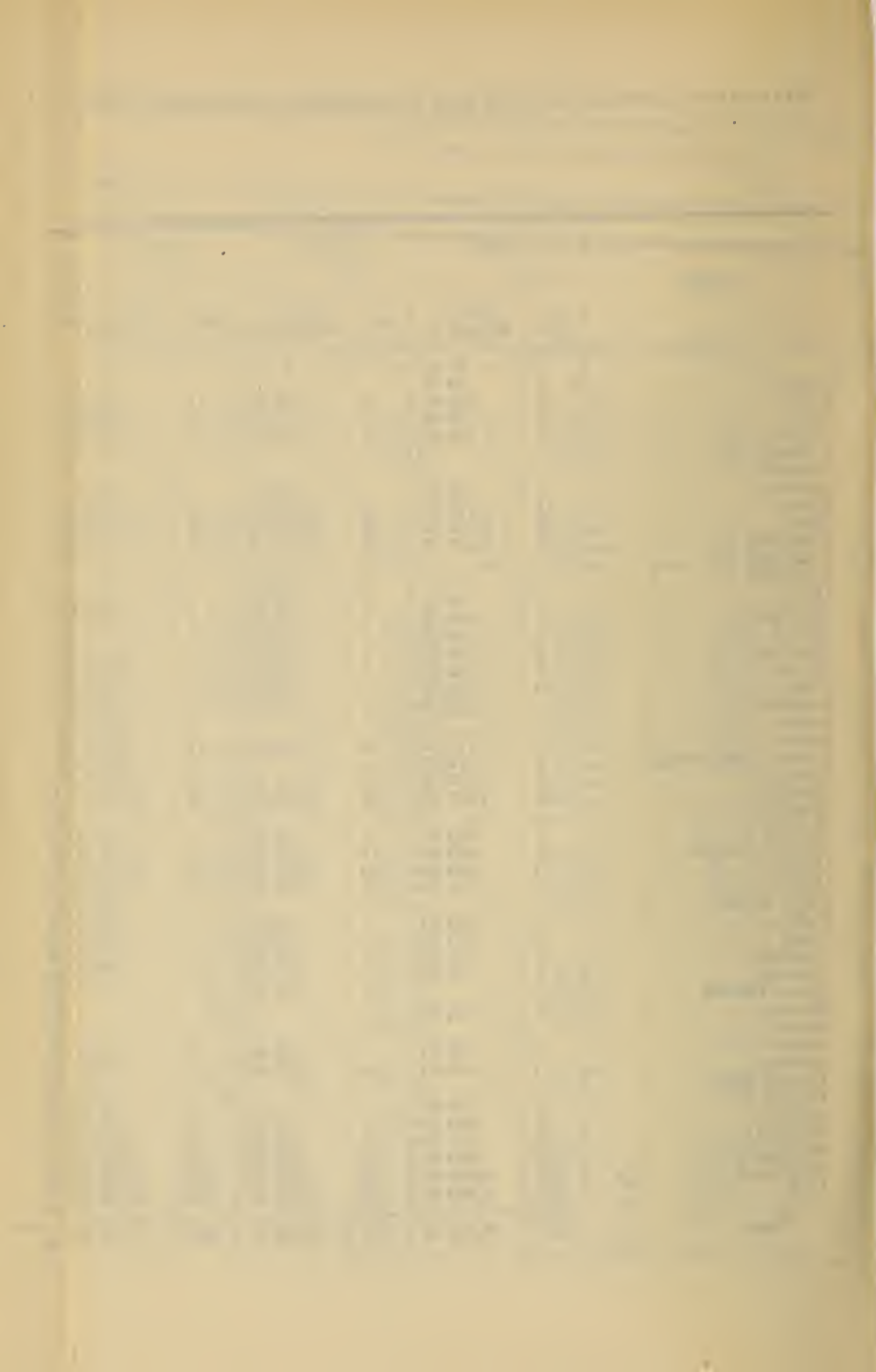
COUNTY.	1871.		1872.		1873.		1874.		1875.		1876.		1877.		1878.		1879.		1880.		1881.		1882.		1883.		1884.		1885.		Amount of Benefit derived by each County during the past fifteen years.	COUNTY.
	No.	Cost—	No.	Cost—	No.	Cost—	No.	Cost—	No.	Cost—	No.	Cost—	No.	Cost—	No.	Cost—	No.	Cost—	No.	Cost—	No.	Cost—	No.	Cost—	No.	Cost—	No.	Cost—	No.	Cost—		
		\$168,880.75.		\$187,719.42.		\$201,478.66.		\$214,308.21.		\$218,641.35.		\$241,380.57.		\$281,843.75.		\$270,162.95.		\$286,894.37.		\$297,894.72.		\$322,971.62.		\$368,683.07.		\$377,095.10.		\$388,021.30.		\$364,445.96.		
	No.	\$ c.	No.	\$ c.	No.	\$ c.	No.	\$ c.	No.	\$ c.	No.	\$ c.	No.	\$ c.	No.	\$ c.	No.	\$ c.	No.	\$ c.	No.	\$ c.	No.	\$ c.	No.	\$ c.	No.	\$ c.	No.	\$ c.		
Algoma	1	116 31	1	128 49	1	133 87	1	134 03	1	132 45	2	266 42	2	246 80	1	118 17	3	365 64	4	537 84	6	800 88	10	1,335 20	11	1,366 42	6,682 62	Algoma.				
Brant	25	2,907 75	30	3,854 70	32	4,283 84	35	4,691 05	33	4,370 85	39	6,195 19	45	6,345 00	43	5,405 53	61	6,293 40	58	6,853 86	59	7,190 92	56	7,529 72	56	7,477 12	66	6,956 32	86,830 17	Brant.		
Bruce	15	1,744 65	17	2,184 33	16	2,141 92	24	3,216 72	36	3,447 70	43	4,308 93	43	6,063 00	49	6,159 79	54	6,881 18	56	6,825 28	63	8,409 24	69	9,212 88	68	8,446 96	83,022 76	Bruce.				
Carleton	64	6,280 74	52	6,681 48	56	7,496 72	59	7,907 77	62	8,211 90	60	7,992 60	70	9,870 00	72	9,051 12	77	9,501 80	82	9,689 94	91	11,091 08	89	11,966 94	101	13,481 48	106	14,163 12	107	13,291 54	146,668 28	Carleton.
Dufferin	5	581 55	7	899 43	11	1,472 57	10	1,340 30	12	1,589 40	12	1,618 52	14	1,974 00	16	2,011 36	14	6,059 40	16	1,890 72	16	1,950 08	20	2,689 20	20	2,484 40	20	2,484 40	30,366 89	Dufferin.		
Dundas	33	3,838 23	36	4,625 64	37	4,953 19	34	4,557 02	36	4,768 20	23	3,063 83	21	2,981 00	30	3,771 30	33	4,072 20	33	3,899 61	43	6,240 84	42	5,647 32	44	5,873 12	46	6,141 92	45	5,589 90	69,023 32	Dundas.
Durham	30	3,489 30	39	5,011 11	43	5,756 41	42	5,629 26	42	5,562 90	45	6,904 45	53	7,473 00	60	7,542 60	56	6,910 40	62	7,328 54	67	8,165 96	69	9,277 74	66	8,945 84	64	7,950 08	103,845 27	Durham.		
Essex	24	2,791 44	28	3,597 72	31	4,149 97	29	3,886 87	26	3,447 70	29	3,864 09	32	4,092 72	34	4,195 60	42	4,963 14	45	5,484 60	46	6,185 16	47	6,273 56	49	6,542 48	52	6,453 44	69,949 49	Essex.		
Frontenac	16	6,048 12	59	7,680 81	50	7,996 33	59	7,907 77	60	7,947 00	75	10,857 75	77	10,857 75	77	10,857 75	95	11,226 15	102	12,431 76	100	13,446 00	93	12,413 64	95	12,684 00	155,033 93	Frontenac.				
Glengarry	13	1,612 03	15	1,927 35	17	2,275 79	17	2,278 51	14	1,854 30	11	1,465 31	14	1,974 00	14	1,759 94	16	1,974 40	21	2,481 57	21	2,559 48	22	2,958 12	27	3,603 96	29	3,229 72	26	3,736 56	73,736 56	Glengarry.
Grenville	8	930 48	8	1,037 92	10	1,338 70	9	1,206 27	11	1,456 95	8	1,036 31	11	1,551 00	12	1,508 52	16	1,974 40	13	1,536 21	14	1,706 32	16	2,151 36	16	2,135 68	18	2,403 36	21	2,608 62	24,572 10	Grenville.
Haldimand	24	2,791 44	26	3,440 74	32	4,283 84	31	4,154 93	40	5,298 00	41	5,461 61	47	6,627 00	49	6,159 79	59	7,280 60	69	6,972 03	61	7,434 68	69	9,277 74	72	9,610 56	79	10,548 08	82	10,186 04	99,427 08	Haldimand.
Halton	22	2,558 82	23	2,955 27	23	3,079 01	23	3,082 69	29	3,441 05	35	4,622 35	43	6,453 00	47	6,651 27	35	6,243 94	34	4,017 78	38	4,596 14	39	5,073 76	37	5,341 46	38	5,073 76	44	5,874 88	64,484 66	Halton.
Hastings	26	3,024 06	27	3,469 23	26	3,480 62	29	3,888 87	28	3,708 60	28	3,730 88	29	4,089 00	29	3,645 59	39	4,819 00	41	4,844 97	39	4,753 32	39	5,243 94	38	5,874 88	43	5,341 46	87,667 11	Hastings.		
Huron	27	3,140 37	38	4,882 62	32	4,283 84	30	4,020 90	30	3,973 50	36	4,776 56	46	6,486 00	45	6,556 95	47	6,799 80	55	6,499 35	55	6,703 40	59	7,877 68	58	7,294 76	58	7,294 76	115,446 44	Huron.		
Kent	37	4,903 47	35	4,497 15	38	5,087 06	35	4,768 20	36	4,768 20	40	5,328 40	48	6,788 34	69	7,280 60	61	8,153 73	83	10,116 04	89	11,966 94	88	11,746 24	91	12,150 32	95	11,800 90	115,446 44	Kent.		
Lambton	25	2,907 75	24	3,083 76	23	3,079 01	34	4,557 02	36	4,768 20	36	4,736 56	42	5,412 00	41	5,154 11	50	6,170 00	58	6,853 86	54	6,581 72	62	8,336 52	68	9,076 64	64	8,543 28	67	8,322 74	86,744 17	Lambton.
Lennox	28	3,256 68	31	3,983 19	37	4,953 19	37	4,953 19	41	5,430 45	51	6,793 71	53	7,473 05	66	8,296 86	61	7,627 40	65	7,681 05	79	9,628 52	86	11,563 56	92	12,280 16	98	13,084 96	97	12,049 34	118,961 18	Lennox.
Leeds	38	3,256 68	30	3,854 70	30	4,016 10	28	3,752 84	25	3,311 75	33	4,398 93	35	4,935 00	43	6,306 20	45	5,817 65	45	5,817 65	47	6,389 62	51	6,807 48	51	6,807 48	52	6,459 41	74,330 36	Leeds.		
Lennox and Addington	20	2,926 20	23	2,955 27	21	2,811 27	23	3,082 69	24	3,178 80	30	3,976 30	37	5,217 00	43	5,154 11	50	5,908 50	46	5,606 48	46	5,606 48	47	6,389 62	50	6,676 00	50	6,676 00	50	6,676 00	121,825 84	Lennox and Addington.
Lincoln	17	1,977 27	18	2,107 40	22	2,814 63	22	2,814 63	22	2,814 63	22	2,814 63	22	2,814 63	41	4,997 08	41	4,997 08	41	4,997 08	41	5,916 48	45	6,140 08	45	6,140 08	45	6,140 08	45	6,140 08	62,921 94	Lincoln.
London	29	3,872 99	23	3,469 23	29	3,872 99	29	3,872 99	29	3,872 99	29	3,872 99	29	3,872 99	48	6,204 00	48	6,204 00	56	8,008 80	63	8,008 80	63	8,008 80	63	8,008 80	63	8,008 80	88,959 30	London.		
Middlesex	88	10,235 28	93	11,049 57	100	13,887 00	103	13,805 09	103	13,805 09	103	13,805 09	123	16,384 83	141	19,881 00	153	19,233 63	155	20,361 00	166	19,616 22	171	20,841 48	176	23,664 96	184	24,134 16	190	23,601 80	275,598 69	Middlesex.
Muskoka	30	3,489 30	23	2,955 27	21	2,811 27	22	2,948 66	25	3,311 75	30	3,976 30	32	4,512 00	35	4,399 85	37	4,565 80	38	4,490 46	39	4,753 32	37	4,975 02	41	5,472 68	42	5,607 84	43	5,607 84	47,608 04	Muskoka.
Norfolk	33	3,838 23	42	5,268 09	39	5,220 93	42	5,629 26	42	5,562 90	62	8,253 02	66	9,306 00	61	7,668 31	65	8,021 00	65	7,681 05	67	7,900 32	74	9,930 04	72	9,610 56	75	9,316 50	75	9,316 50	113,413 25	Norfolk.
Northerland	47	5,486 57	48	6,167 22	50	6,693 50	54	7,549 65	59	7,549 65	59	7,549 65	66	9,888 00	67	8,422 57	62	8,088 80	61	7,571 71	67	10,603 56	95	12,680 40	95	12,680 40	99	12,297 78	109	13,815 73	188,615 73	Northerland.
Ontario	31	3,665 61	37	4,754 13	42	5,829 32	42	5,829 32	42	5,829 32	49	6,969 60	49	6,969 60	63	7,444 71	69	8,409 72	69	8,409 72	73	9,277 74	73	9,277 74	73	9,277 74	73	9,277 74	73	9,277 74	1,454,544 98	Ontario.
Oxford	26	3,024 06	28	3,597 72	30	4,016 10	31	4,154 93	34	4,593 30	36	4,795 56	41	5,781 08	46	6,536 92	51	6,293 40	56	6,617 52	53	6,460 04	53	7,126 38	52	6,940 96	52	6,940 96	52	6,940 96	82,753 49	Oxford.
Perth	35	4,070 85	34	3,668 66	35	4,685 45	36	4,768 20	40	5,328 40	43	6,063 00	40	5,328 40	43	6,063 00	56	8,833 86	63	7,678 44	63	8,470 98	70	9,343 60	80	10,681 6 0						



STATEMENT shewing the total cost of maintaining the Central Prison, the cost each year, the number of prisoners maintained each year, and the amount of benefit derived by each County, each year, and in the total 12 years.

(Before the erection of the Central Prison, Prisoners sentenced to a less term than two years were confined in County Gaols.)

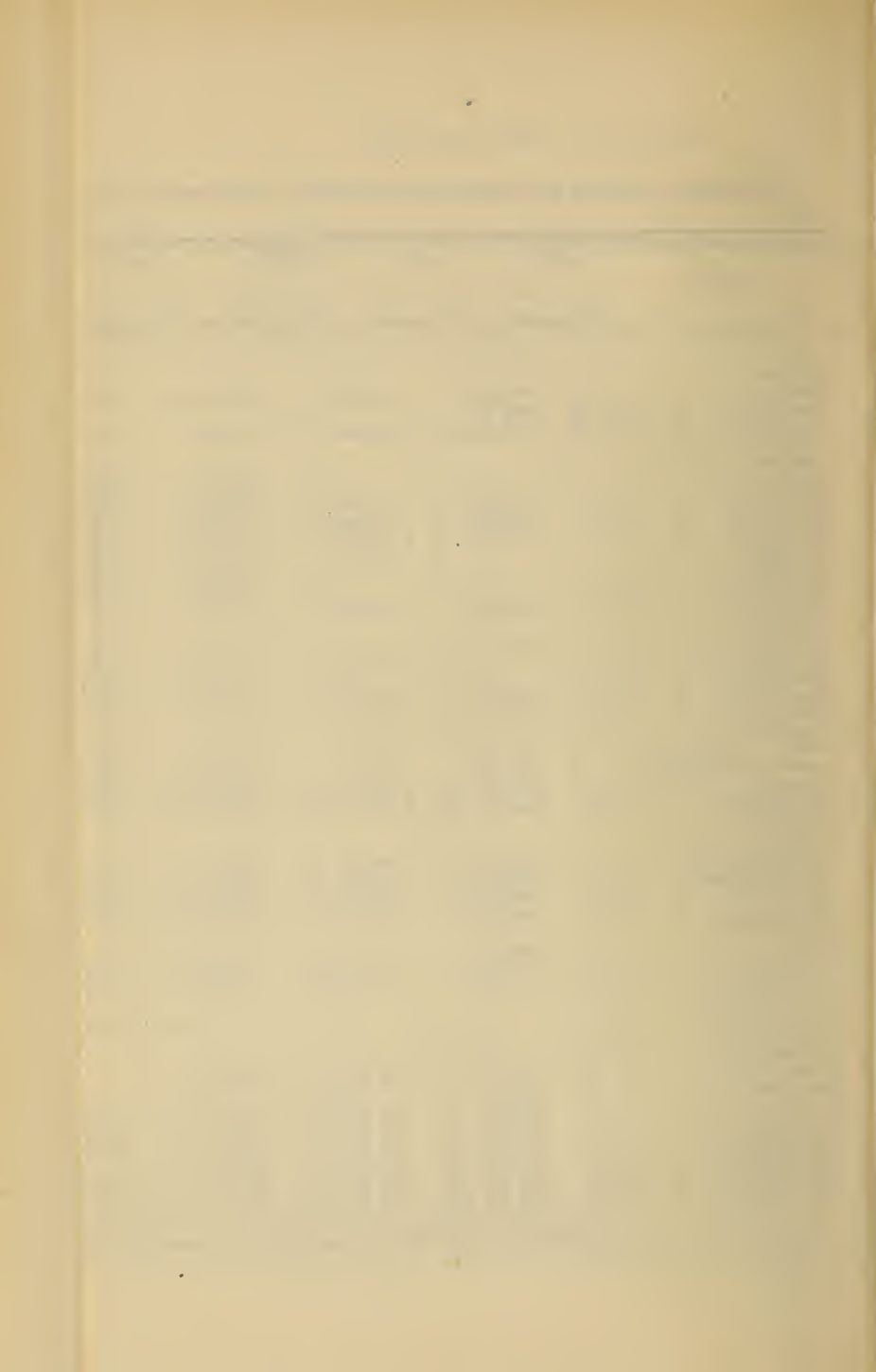
COUNTY.	1874.		1875.		1876.		1877.		1878.		1879.		1880.		1881.		1882.		1883.		1884.		1885.		Amount of benefit derived by each County during the past 12 years.
	No.	Cost— \$30,472.43	No.	Cost— \$39,594.80	No.	Cost— \$47,128.15	No.	Cost— \$51,123.79	No.	Cost— \$49,235.93	No.	Cost— \$48,104.80	No.	Cost— \$47,900.14	No.	Cost— \$49,195.85	No.	Cost— \$53,545.95	No.	Cost— \$53,171.22	No.	Cost— \$56,605.08	No.	Cost— \$58,485.94	
		\$ s. c.		\$ s. c.		\$ s. c.		\$ s. c.		\$ s. c.		\$ s. c.		\$ s. c.		\$ s. c.		\$ s. c.		\$ s. c.		\$ s. c.		\$ s. c.	
Algona	1	54 91																							\$ s. c.
Brant	15	823 65	15	1,762 50	11	749 10	9	693 99	8	636 32	13	1,120 73	15	1,340 55	15	866 10	9	677 79	2	156 84	1	68 78	9	780 93	10,531 56
Bruce	2	109 82	1	117 50	6	408 60	8	616 88	13	1,034 02	5	431 05	5	446 85	8	461 92	3	225 93			1	68 78	6	520 62	4,411 97
Carleton	16	878 56	5	587 50	15	1,021 50	26	2,004 86	21	1,670 34	13	1,120 73	17	1,519 29	15	866 10	16	1,204 96	14	1,097 88	25	1,719 50	29	2,516 33	16,207 55
Dufferin									1	79 54							2	150 62	1	78 42	2	137 56			446 14
Dundas																									
Durham	5	274 55	1	117 50	2	136 20					2	172 42			3	173 22	10	753 10	12	941 04	12	838 36	9	780 93	4,174 32
Elgin	13	713 83	9	1,675 50	12	1,021 26	19	1,461 09	19	1,572 26	33	2,468 33	25	1,443 50	8	602 48	20	1,568 40	30	2,063 40	30	2,156 46	11	454 47	15,546 39
Essex	23	1,262 93	14	1,645 00	21	1,430 10	26	2,004 86	15	1,193 10	18	1,379 36	18	1,608 66	22	1,270 28	36	2,711 16	16	1,254 72	39	2,682 42	29	2,516 33	20,958 92
Frontenac	37	2,031 67	27	3,172 50	13	885 30	16	1,233 76	27	2,147 58	16	1,379 36	8	714 96	25	1,443 50	18	1,355 58	21	1,646 82	18	1,238 04	16	1,388 32	18,637 39
Glengarry																									
Grenville			3	352 50																					352 50
Grey	1	54 91	2	235 00	2	136 20	3	231 33	2	159 08	2	172 42	8	714 96	6	346 44	6	451 86	9	805 78	16	1,100 48	12	1,041 24	5,449 50
Haldimand	7	384 37	2	235 00	6	408 60	4	308 44	4	318 16	2	172 42	3	268 11	3	173 22	1	75 31			1	68 78			2,412 41
Halton	1	54 91	1	117 50			3	231 33	1	79 54	3	258 63	9	804 33	3	173 22	2	150 62	1	78 42	1	68 78	1	86 77	2,104 05
Hastings	3	164 73	8	940 00	9	612 90	11	848 21	11	874 94	6	517 26	16	1,429 92	15	866 10	14	1,054 34	10	784 20	13	894 14	11	954 47	8,941 21
Huron	3	164 73	5	587 50	13	885 30	7	539 77	5	397 70	3	258 63	6	536 22	5	288 70	6	451 86	1	78 42			1	86 77	4,275 60
Kent	10	549 10	3	352 50	13	885 30	10	771 10	9	715 86	10	862 10	12	1,072 44	16	923 84	23	1,732 13	20	1,568 40	20	1,375 60	19	1,648 63	12,457 00
Lambton	8	439 28	2	235 00	4	272 40	4	308 44	4	318 16	13	1,120 73	10	893 70	9	519 66	14	1,054 34	9	705 78	10	687 80	5	433 85	6,989 14
Lanark					3	204 30			3	238 62	5	431 05	3	268 11			4	301 24	5	392 10	5	343 90	8	694 16	2,873 48
Leeds	13	713 83	26	3,065 00	19	1,293 90	25	1,927 75	14	1,113 56	25	2,155 25	19	804 33	16	923 84	10	753 10	3	235 26	13	894 14	23	1,985 71	15,846 67
Leeds and Addington	15	274 55			4	272 40	2	154 22	17	79 54	3	188 63			12	57 17	7	527 17	2	137 56	1	86 77			2,005 42
Lincoln	40	2,196 04	22	1,410 00	15	1,012 50	24	1,850 64	9	715 86	17	1,519 29	12	862 10	17	1,519 29	6	369 84	12	903 72	17	1,333 14	19	1,306 82	16,388 32
Middlesex	26	1,427 66	43	5,652 50	54	3,677 40	34	2,621 74	68	5,408 72	46	3,965 66	45	4,021 65	51	6,294 74	43	3,238 33	49	3,842 58	43	2,957 54	22	1,908 94	41,067 46
Muskoka					1	77 11											1	75 31	1	78 42					230 84
Norfolk	7	384 37	5	587 50	9	612 90	3	231 33	11	874 94	4	344 84	3	268 11	7	404 18	5	376 55	6	470 52	7	481 46	9	780 93	5,817 63
Northumberland	15	823 65	17	1,997 50	16	1,089 60	8	616 88	25	1,988 50	17	1,465 57	6	536 22	20	1,154 80	8	602 48	12	941 04	21	1,444 38	18	1,561 86	14,222 48
Ontario	2	109 82	14	1,645 00	31	2,111 10	13	1,002 43	9	715 86	11	948 31	11	983 07	11	635 14	7	527 17	5	392 10	16	1,100 48	12	1,041 24	11,211 72
Oxford	5	274 55	6	705 00	13	885 30	12	925 32	17	1,352 18	10	862 10	20	1,787 40	20	1,154 80	11	828 41	15	1,176 30	18	1,238 04	11	954 47	12,143 87
Parry Sound						68 10																			415 18
Peel	4	219 64	3	352 50	3	204 30			2	159 08			3	268 11	5	288 70	4	301 24	2	156 84	1	68 78	6	520 62	2,771 14
Perth	5	274 55	4	470 00	8	544 80	7	539 77	5	397 70	4	344 84			3	173 22	2	150 62			5	343 90	2	173 54	3,412 94
Peterboro'	4	219 64	2	235 00	5	340 50	7	539 77	2	159 08	1	86 21	4	357 48	2	115 48	5	376 55	6	470 52	6	412 68	1	86 77	3,399 68
Prescott	1	54 91	1	117 50	1	68 10	5	395 55	4	318 16	2	172 42													1,212 97
Prince Edward			1	117 50			3	231 33	2	159 08	2	172 42			4	357 48	1	57 74	2	150 62					1,461 65
Renfrew	7	384 37					6	462 66	3	238 62			2	178 74	5	288 70			1	78 42	1	137 56			3,317 61
Russell																									86 77
Simcoe	4	219 64	2	235 00	7	476 70	18	1,387 98	18	1,431 72	5	517 26	9	804 33	7	404 18	17	1,280 27	20	1,568 40	30	2,063 40	18	1,561 86	11,950 74
Stormont	4	219 64	13	1,527 50	9	612 90	9	693 99	14	1,113 56	6	431 05	4	357 48	6	346 44	4	301 24	6	470 52	5	343 90	1	86 77	6,304 36
Thunder Bay																									2,022 15
Victoria	2	109 82			1	68 10	10	771 10	2	159 08	6	517 26	2	178 74	3	173 22	4	301 24	2	156 84	9	619 02	15	1,401 55	11,056 70
Waterloo	9	494 19	5	587 50	8	544 80	14	1,079 54	11	874 94	22	1,886 62	7	625 59	7	404 18	19	1,430 86	14	1,097 88	9	619 02	15	1,401 55	18,267 14
Welland	13	713 83	2	235 00	15	1,021 50	23	1,773 53	24	1,908 96	13	1,120 73	15	1,340 55	25	1,443 10	12	903 72	7	548 94	50	3,439 00	44	3,817 88	18,267 14
Wellington	11	604 01			9	612 90	22	1,773 53	10	795 40	21	1,810 41	13	1,161 81	17	981 18	25	1,882 75	14	1,097 88	14	962 92	14	1,214 78	13,250 47
Wentworth	111	6,095 01	49	5,757 50	132	8,859 20	129	9,947 19	188	6,999 52	137	5,490 76	102	9,115 74	116	6,697 84	125	9,413 75	62	4,862 04	77	5,296 06	48	4,164 96	83,239 57
York	122	6,699 02	31	3,642 50	202	13,756 20	138	10,641 18	137	10,896 98	137	11,530 77	121	10,813 77	347	20,035 78	126	16,266 96	284	22,271 28	257	17,676 46	219	19,002 63	163,063 53
Total	555	30,472 43	337	39,594 80	692	47,128 15	663	51,123 79	619	49,235 93	558	48,104 80	536	47,900 14	832	49,195 85	711	53,545 95	678	53,171 22	823	56,605 08	674	58,485 94	584,568 08



REFORMATORY FOR BOYS.

STATEMENT shewing the annual cost, 1871-1885, the number of boys maintained, the Counties admitted from, and the amount of benefit derived from the Reformatory by each County, each year, and in the fifteen years.

COUNTY.	1871.		1872.		1873.		1874.		1875.		1876.		1877.		1878.		1879.		1880.		1881.		1882.		1883.		1884.		1885.		Amount of Benefit derived by each County during the past fifteen years.		
	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.			
		\$23,889 82		\$22,494 14		\$24,979 31		\$19,889 58		\$21,332 76		\$23,324 43		\$24,430 10		\$29,528 25		\$28,427 60		\$34,030 23		\$35,571 76		\$32,671 96		\$41,600 33		\$40,526 12		\$40,093 48			
	No.	\$ c.	No.	\$ c.	No.	\$ c.	No.	\$ c.	No.	\$ c.	No.	\$ c.	No.	\$ c.	No.	\$ c.	No.	\$ c.	No.	\$ c.	No.	\$ c.	No.	\$ c.	No.	\$ c.	No.	\$ c.	No.	\$ c.	\$ c.		
Algonia																															182 24		
Brant	6	924 78	4	569 48	5	960 75	7	1,001 63	9	1,109 79	11	1,409 76	11	1,378 08	16	1,506 50	11	1,518 00	15	2,385 30	16	2,276 64	15	1,863 45	13	2,210 00	10	1,700 00	6	1,093 44	21,914 60		
Bruce	2	308 26												2	301 30	3	414 00	5	795 10	4	569 16	4	496 92	4	680 00	2	340 00	2	364 48	4,269 22			
Carleton	10	1,541 30	12	1,708 44	6	1,152 90	6	858 54	8	986 48	7	897 12	11	1,378 08	10	1,506 50	13	1,794 00	7	1,113 14	7	996 03	8	993 84	6	1,020 00	8	1,360 00	7	1,275 08	18,582 05		
Dufferin																															335 24		
Dundas					1	192 15	1	143 09																							6,291 35		
Durham					5	960 75	7	1,001 63	4	493 24	5	640 80	5	626 40	3	451 95	1	138 00	1	159 02	3	426 87	3	372 69	3	510 00	3	510 00				14,083 10	
Elgin	3	452 39	5	711 85	8	1,537 20	5	715 45	8	986 48	9	1,153 44	7	876 96	6	903 90	6	828 00	6	954 12	7	996 03	8	993 84	4	680 00	7	1,190 00	6	1,093 44	9,158 60		
Essex					3	770 65	3	427 11	2	384 30	1	143 09	6	739 86	5	640 80	6	751 68	6	828 00	6	954 12	5	711 45	4	496 92	3	510 00	2	340 00	5,467 72		
Frontenac	5	770 65	8	1,138 96	8	1,537 20	10	1,430 90	10	1,233 31	6	768 96	3	375 84	3	451 95	1	138 00	4	636 08	6	853 74	7	869 61	9	1,530 00	10	1,700 00	15	2,733 60	16,118 59		
Glengarry					2	284 74	1	123 31	1	143 09	1	123 31	1	128 16	2	250 56	2	301 30	2	248 58	2	248 46	3	510 00	6	1,020 00	5	911 20			3,717 53		
Greenville					3	576 45	1	143 09	1	123 31	1	128 16	2	250 56	2	301 30	1	138 00	2	318 04	4	599 16	6	745 38	5	850 00	3	510 00			4,653 45		
Grey					1	192 15	1	143 09	1	123 31	1	128 16	1	125 28	2	301 30	2	276 00	4	636 08	3	426 87	3	372 69	1	170 00	1	170 00	3	546 72	3,611 65		
Haldimand	2	308 26	1	142 37	3	576 45	3	429 27	4	493 24	2	256 32	2	250 56	1	150 65			1	159 02	3	426 87	3	372 69	2	340 00			2	364 48	4,270 18		
Haliburton																																	
Halton	1	154 13																													4,095 56		
Hastings																															8,672 39		
Huron																															5,222 92		
Kent	2	308 26																													11,144 61		
Lambton	10	1,541 30	13	1,850 81	7	1,345 05	8	1,144 72	9	1,109 79	7	897 12	8	1,002 24	9	1,355 85	11	1,518 00	13	2,067 26	14	1,992 06	14	1,739 22	15	2,550 00	13	2,210 00	11	2,004 64	24,328 06		
Lanark																															1,082 99		
Leeds	2	308 26	5	711 85	2	384 30	2	286 18	2	246 62			1	125 28																	6,540 03		
Lennox and Addington	3	452 39	1	142 37	1	192 15	1	143 09	1	123 31	1	128 16			1	150 65															19,814 25		
Lincoln	11	1,695 43	12	1,708 44	8	1,537 20	10	1,430 90	3	369 93	8	1,025 28	8	1,002 24	8	1,295 20	4	552 00	7	1,113 14	12	1,707 48	12	1,490 76	10	1,700 00	6	1,020 00	6	1,093 44	18,651 41		
Middlesex	16	2,466 08	15	2,135 55	14	2,690 10	11	1,573 99	10	1,233 31	10	1,281 60	9	1,127 52	11	1,657 15	17	2,346 00	19	3,021 38	19	2,703 51	17	2,111 91	15	2,550 00	15	2,550 00	22	4,009 28	33,457 17		
Muskoka																																	
Nipissing																																	
Norfolk	8	1,233 04	8	1,138 96	5	960 75	5	715 45	8	986 48	2	256 32	5	626 40	3	451 95	6	828 00	4	636 08	5	711 45	4	496 92	3	510 00	2	340 00	2	364 48	10,256 28		
Northumberland	9	1,387 17	7	996 59	3	576 45	4	572 36	4	493 24	6	768 96	6	751 68	4	602 60	2	276 00	1	159 02	1	142 29	4	496 92	3	510 00	3	510 00				8,607 76	
Ontario	2	308 26	8	1,138 96	8	1,537 20	9	1,287 81	11	1,356 41	9	1,153 44	8	1,002 24	6	903 90	8	1,104 00	6	954 12	14	1,992 06	15	1,863 45	10	1,700 00	11	1,870 00	10	1,822 40	19,814 25		
Oxford	2	308 26	3	427 11	2	384 30	2	286 18	3	369 93	5	640 80	6	751 68	6	903 90	7	966 00	5	795 10	4	569 16	8	993 84	10	1,700 00	12	2,040 00	10	1,822 40	12,958 66		
Parry Sound																																	
Peel	2	308 26																													986 32		
Perth	2	308 26	2	284 74	2	384 30	1	143 09	3	369 93	2	256 32	6	751 68	5	753 25	10	1,380 00	11	1,749 22	7	996 03	7	869 61	5	850 00	2	340 00				9,436 43	
Peterboro																															2,929 09		
Prescott																															159 02		
Prince Edward																															1,076 06		
Renfrew																															3,714 18		
Russell																															352 24		
Simcoe	5	770 65	3	427 11	1	192 15			1	123 31	4	512 64	5	626 40	4	602 60	1	138 00	4	636 08	3	426 87	3	372 69	4	680 00	4	680 00				7,916 17	
Stormont	2	308 26																													436 42		
Victoria	2	308 26	2	284 74	2	384 30	1	143 09	1	123 31	2	256 32	1	125 28	1	150 65															2,904 71		
Waterloo	5	770 65	4	569 48	5	960 75	3	429 27	6	739 86	5	640 80	2	250 56	3	451 95	7	966 00	3	477 06	7	996 03	9	1,118 07	9	1,530 00	5	850 00				10,750 48	
Welland	1	154 13	2	284 74	3	576 45	2	286 18			2	246 62	3	384 48	9	1,355 85	6	828 00	7	1,113 14	6	833 74	6	745 38	3	510 00	4	680 00	2	364 48	9,510 71		
Wellington	2	308 26	1	142 37	1	192 15			1	123 31	1	128 16	2	250 56	2	301 30	1	138 00	2	318 04	3	426 87	3	372 69	4	680 00	3	510 00	2	340 00	3	546 72	3,957 06
Wentworth	9	1,387 17	8	1,138 96	4	768 60	7	1,001 63	13	1,603 03	20	2,563 20	18	2,255 04	25	3,706 25	26	3,588 00	22	3,498 44	32	4,553 28	30	3,726 90	28	4,760 00	35	5,950 00	29	5,284 96	45,845 46		
York	26	4,007 36	24	3,416 88	13	2,497 95	19	2,718 71	25	3,082 75	30	3,844 80	29	3,633 12	36	4,971 45	36	4,968 00	36	5,724 72	35	4,986 15	37	4,986 15	40	6,800 00	44	7,480 00	35	6,378 40	69,100 80		
Totals	155	23,889 82	158	22,494 14	130	24,979 31	139	19,889 58	173	21,332 76	182	23,324 43	195	24,430 10	196	29,528 25	206	28,42															



INSTITUTION FOR THE BLIND.

STATEMENT shewing the cost thereof in each year from 1872 to 1885, inclusive; the number of blind persons maintained for each County; the amount of benefit derived by each County from the Institution each year, and in the total number of years.

COUNTY	1872.		1873.		1874.		1875.		1876.		1877.		1878.		1879.		1880.		1881.		1882.		1883.		1884.		1885.		Amount of benefit derived by each County during the past 14 years.		
	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.			
		\$7,522 52		\$21,259 92		\$22,531 59		\$23,061 21		\$24,033 55		\$26,913 19		\$26,289 47		\$29,515 15		\$30,343 32		\$30,034 25		\$34,846 15		\$33,736 71		\$33,297 24		\$33,385 52			
		s c.		s c.		s c.		s c.		s c.		s c.		s c.		s c.		s c.		s c.		s c.		s c.		s c.		s c.		s c.	
Brant	5	1,106 25	6	2,161 98	4	797 56	3	497 70	5	801 90	5	915 40	6	907 78	9	1,328 22	8	1,195 84	8	1,201 36	7	1,460 62	6	1,265 10	5	1,189 20	6	1,251 96	16,080 87		
Bruce	2	442 50	2	720 66	3	598 17	5	995 40	5	801 90	7	1,281 56	7	1,054 41	9	1,328 22	6	896 88	6	901 02	5	1,043 30	5	1,054 25	5	1,189 20	6	1,251 96	13,559 43		
Carleton			1	199 39	2	331 80	5	801 90	2	366 16	2	301 26	3	442 74	2	298 96	3	450 51	4	834 64	4	843 40	2	475 68	5	1,043 30	6	1,251 96	6,389 74		
Dufferin			1	360 33	3	598 17	2	331 80	3	487 14	3	549 24	4	602 52	5	737 90	4	597 92	5	750 85	4	834 64	2	421 70	2	475 68	1	208 66	6,956 55		
Dundas			3	1,080 99	3	598 17	4	663 60	5	801 90	4	732 32	5	753 15	5	737 90	5	747 40	4	600 68	2	417 32	2	421 70	2	475 68	2	475 68	8,448 13		
Durham	1	221 25	2	720 66	3	598 17	2	331 80	1	162 38	2	366 16	2	301 26	1	147 58	2	298 96	2	300 34	2	417 32	2	421 70	2	475 68	2	475 68	5,180 58		
Elgin					1	199 39	3	497 70	2	324 76	1	183 08	1	150 63	1	147 58	2	298 96	1	150 17	1	208 66	1	210 85	2	475 68	2	475 68	3,282 78		
Essex			2	720 66	2	398 78	2	331 80	2	324 76	1	183 08	2	301 26	4	590 32	3	448 44	5	750 85	4	834 64	3	632 35	5	1,043 30	7	1,475 95	15,201 32		
Frontenac	3	663 75	3	1,080 99	6	1,196 34	7	1,161 30	7	1,136 66	4	732 32	4	602 52	4	590 32	5	747 40	5	750 85	6	1,251 96	7	1,475 95	8	1,902 72	9	1,877 94	15,201 32		
Glengarry			1	360 33	1	199 39	1	165 90	1	162 38	1	183 08	1	150 63	1	147 58	2	298 96	1	150 17	1	208 66	1	210 85	1	237 84	1	237 84	958 15		
Grenville					1	199 39	3	497 70	3	487 14	3	549 24	5	753 15	5	737 90	7	1,046 36	7	1,051 19	6	1,251 96	6	1,265 10	3	713 52	4	834 64	9,968 87		
Grey	1	221 25	1	360 33	1	199 39					3	549 24	3	451 89	2	295 16	3	448 44	1	150 17	2	417 32	2	421 70	3	713 52	4	834 64	4,517 47		
Haldimand					1	199 39																						1,635 48			
Halton	1	221 25	2	720 66	1	199 39	2	331 80	1	162 38	4	732 32	5	753 15	6	885 48	5	747 40	4	600 68	5	1,043 30	7	1,475 95	6	1,427 04	6	1,251 96	10,466 80		
Hastings			2	398 78	4	663 60	3	487 14	4	732 32	5	915 40	5	753 15	6	885 48	5	747 40	4	600 68	5	750 85	6	1,251 96	4	843 40	5	1,189 20	6	1,251 96	13,770 86
Huron			2	720 66	6	1,196 34	6	995 40	6	974 28	5	915 40	6	1,098 48	5	753 15	8	1,195 84	8	1,201 36	5	1,043 30	5	1,054 25	2	475 68	2	475 68	9,000 73		
Kent			1	199 39	2	331 80	4	649 52	6	1,098 48																					
Lambton			1	199 39	1	165 90	1	162 38	1	183 08	1	150 63	1	147 58	2	298 96	4	600 68	5	1,043 30	7	1,475 95	6	1,427 04	7	1,460 62	6,319 42				
Lanark			1	199 39	1	165 90	1	162 38	1	183 08	5	915 40	5	753 15	5	737 90	5	747 40	4	600 68	4	834 64	4	843 40	3	713 52	3	625 98	8,071 67		
Leeds					1	199 39	3	497 70	5	801 90	5	915 40	5	753 15	6	885 48	5	747 40	4	600 68	3	625 98	3	632 35	2	475 68	3	625 98	4,864 52		
Lennox and Addington					1	199 39	1	165 90	1	162 38	1	183 08	3	448 44	2	442 74	3	448 44	3	450 51	3	625 98	3	632 35	2	475 68	2	475 68	6,807 42		
Lincoln	1	221 25	1	360 33	4	797 56	4	663 60	5	801 90	4	732 32	4	602 52	4	590 32	4	597 92	4	600 68	2	417 32	2	421 70	2	475 68	2	475 68	19,472 82		
Middlesex	2	442 50	4	1,411 32	8	1,955 12	10	1,639 00	11	1,786 18	10	1,830 80	10	1,606 30	11	1,623 38	11	1,644 28	9	1,351 53	3	625 98	3	632 35	7	1,664 88	8	1,669 28	19,472 82		
Muskoka					4	797 56	7	1,161 30	7	1,299 04	7	1,281 56	4	602 52	1	147 58	1	149 48	5	750 85	4	834 64	5	1,043 30	2	475 68	2	475 68	2,538 54		
Norfolk	1	221 25	3	1,080 99	3	598 17	4	663 60	3	487 14	6	1,098 48	6	907 78	7	1,033 06	5	747 40	5	750 85	4	834 64	5	1,043 30	2	475 68	4	834 64	11,347 45		
Northumberland			4	797 56	7	1,161 30	8	1,299 04	7	1,281 56	4	602 52	4	602 52	7	1,033 06	4	597 92	3	450 51	2	417 32	1	210 85	1	208 66	8	2,898 14			
Ontario	1	221 25	2	720 66	4	797 56	4	663 60	3	487 14	4	732 32	4	602 52	3	442 74	4	597 92	3	450 51	1	208 66	2	421 70	2	475 68	2	475 68	7,239 58		
Oxford			2	398 78	2	331 80	3	487 14	3	549 24	2	301 26	2	295 16	2	298 96	1	150 17	1	208 66	1	210 85	1	237 84	1	237 84	1	237 84	958 15		
Peel					2	398 78	2	331 80	3	487 14	3	549 24	3	451 89	4	590 32	5	747 40	4	600 68	3	625 98	4	843 40	4	951 36	5	1,043 30	9,764 81		
Peterborough	3	663 75	3	1,080 99	4	797 56	2	331 80	3	487 14	3	549 24	3	451 89	4	590 32	5	747 40	4	600 68	3	625 98	4	843 40	4	951 36	5	1,043 30	9,764 81		
Preston			2	398 78	4	663 60	5	801 90	5	915 40	4	732 32	4	602 52	4	590 32	5	747 40	4	600 68	3	625 98	4	843 40	4	951 36	5	1,043 30	9,764 81		
Prince Edward	1	221 25	2	720 66	3	598 17	3	497 70	3	487 14	3	549 24	2	301 26	3	442 74	3	448 44	3	450 51	3	625 98	3	632 35	2	475 68	2	475 68	7,377 44		
Renfrew					2	398 78	2	331 80	2	324 76	1	183 08	1	150 63	1	147 58	2	298 96	1	150 17	1	208 66	1	210 85	1	237 84	1	237 84	958 15		
Russell					2	398 78	2	331 80	3	487 14	2	366 16	5	753 15	6	885 48	7	1,046 36	8	1,201 36	8	1,669 28	6	1,265 10	5	1,189 20	5	1,043 30	10,637 11		
Simcoe					2	398 78	2	331 80	3	487 14	2	366 16	5	753 15	6	885 48	7	1,046 36	8	1,201 36	8	1,669 28	6	1,265 10	5	1,189 20	5	1,043 30	10,637 11		
Stormont			1	199 39	2	331 80	1	162 38	1	183 08	1	150 63	1	147 58	2	298 96	1	150 17	1	208 66	1	210 85	1	237 84	1	237 84	1	237 84	958 15		
Victoria			3	1,080 99	2	398 78	3	497 70	3	487 14	3	549 24	3	451 89	5	737 90	5	747 40	5	750 85	4	834 64	2	417 32	2	421 70	1	208 66	6,323 74		
Waterloo			3	1,080 99	5	996 95	4	663 60	3	487 14	4	732 32	5	753 15	4	590 32	4	597 92	4	600 68	3	625 98	3	632 35	2	475 68	2	475 68	5,999 63		
Welland			1	360 33	1	199 39	2	331 80	3	487 14	3	549 24	4	602 52	4	590 32	4	597 92	4	600 68	3	625 98	3	632 35	3	713 52	5	1,043 30	11,550 25		
Wellington	2	442 50	3	1,080 99	3	598 17	4	663 60	4	649 52	5	915 40	7	1,051 19	7	1,033 06	7	1,046 36	7	1,051 19	3	625 98	3	632 35	3	713 52	5	1,043 30	11,550 25		
Wentworth	2	442 50	3	1,080 99	9	1,794 51	8	1,637 20	7	1,136 66	10	1,830 80	14	2,108 62	16	2,361 28	19	2,840 12	19	2,840 12	12	2,503 82									



INSTITUTION FOR THE DEAF AND DUMB.

STATEMENT shewing the cost thereof in each year from 1871 to 1885, inclusive, the number of Deaf Mutes maintained from each County, the amount of benefit derived from the Institution by each County, each year, and in the total number of years.

COUNTY.	1871.		1872.		1873.		1874.		1875.		1876.		1877.		1878.		1879.		1880.		1881.		1882.		1883.		1884.		1885.		Amount of Benefit derived by each County during the past fifteen years.		
	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.			
	\$.	c.	\$.	c.	\$.	c.	\$.	c.	\$.	c.	\$.	c.	\$.	c.	\$.	c.	\$.	c.	\$.	c.	\$.	c.	\$.	c.	\$.	c.	\$.	c.	\$.	c.			
Algoma	3	925 95	6	1,224 36	8	1,452 00	8	1,278 24	6	928 92	7	1,066 45	8	1,350 96	9	1,306 17	9	1,160 01	10	1,531 20	10	1,512 20	9	1,356 03	10	1,489 20	9	1,493 37	6	989 34	307 17		
Brant	1	308 65	1	204 06	1	181 50	2	319 56	1	154 82	1	152 35	4	675 48	4	580 62	6	773 34	7	1,071 84	10	1,512 20	10	1,506 70	13	1,935 96	12	1,991 16	10	1,648 90	13,016 81		
Bruce	2	617 30	3	612 18	2	363 00	9	1,438 02	11	1,703 02	11	1,675 85	10	1,688 70	10	1,451 30	8	1,031 12	4	612 48	2	302 44	3	452 01	5	744 60	5	824 45	5	824 45	14,346 12		
Carleton																														148 92			
Dufferin																														5,165 40			
Dundas	6	1,851 90	6	1,224 36	5	907 50	5	798 90	7	1,083 74	6	914 10	5	844 35	7	1,015 91	6	773 34	5	765 60	4	604 88	2	301 34	3	453 66	2	297 84	7	1,161 51	7	1,154 23	12,541 11
Durham	1	308 65	2	408 12	3	544 50	4	639 12	4	619 28	4	609 40	5	844 35	5	725 65	5	644 45	5	765 60	4	604 88	8	1,205 36	10	1,489 20	10	1,659 30	9	1,484 01	11	1,484 01	7,258 31
Elgin	1	308 65	1	204 06	1	181 50	2	319 56	1	154 82	1	152 35	1	168 87	1	145 13	1	128 89	2	302 44	2	302 44	6	904 02	8	1,191 36	7	1,161 51	6	989 34	7,258 31		
Essex																														11,687 67			
Frontenac	1	308 65	2	408 12	3	544 50	4	639 12	5	798 90	5	774 10	5	761 75	4	675 48	5	725 65	4	612 48	5	756 10	5	753 35	7	1,042 94	7	1,042 94	7	1,042 94	6,761 40		
Glenora																														3,176 99			
Grenville	1	308 65	2	408 12	3	544 50	4	639 12	9	1,393 38	11	1,675 85	12	2,026 44	13	1,886 69	14	1,804 46	13	1,950 56	10	1,512 20	10	1,506 70	9	1,340 28	10	1,659 30	7	1,154 23	21,034 10		
Grey																														5,329 63			
Halifax																														1,046 82			
Haliburton																															6,124 97		
Hastings	4	1,234 60	7	1,428 42	9	1,633 50	15	2,396 70	15	2,322 30	16	2,437 60	16	2,701 92	17	2,467 21	14	1,804 46	14	2,143 68	9	1,260 98	9	1,356 03	4	595 68	4	663 72	5	824 45	25,375 25		
Huron	3	925 95	12	2,448 72	12	2,178 00	13	2,077 14	11	1,703 02	14	2,132 90	11	1,857 57	13	1,886 69	10	1,288 90	11	1,684 32	15	2,268 90	16	2,410 72	11	1,638 12	11	1,638 12	11	1,638 12	27,641 58		
Kent	5	1,543 25	6	1,224 36	5	907 50	5	798 90	4	619 28	3	457 05	4	675 48	3	435 39	3	386 67	4	612 48	4	604 88	6	904 02	8	1,191 36	6	989 34	5	824 45	8,339 91		
Lambton																														13,506 55			
Lanark	1	308 65	2	408 12	3	544 50	4	639 12	5	798 90	5	774 10	5	761 75	4	675 48	5	725 65	4	612 48	5	756 10	5	753 35	7	1,042 94	7	1,042 94	7	1,042 94	9,662 89		
Leeds	1	308 65	2	408 12	3	544 50	4	639 12	5	798 90	5	774 10	5	761 75	4	675 48	5	725 65	4	612 48	5	756 10	5	753 35	7	1,042 94	7	1,042 94	7	1,042 94	6,761 40		
Lennox and Addington	1	308 65	2	408 12	3	544 50	4	639 12	5	798 90	5	774 10	5	761 75	4	675 48	5	725 65	4	612 48	5	756 10	5	753 35	7	1,042 94	7	1,042 94	7	1,042 94	2,641 40		
Lincoln	5	1,543 25	10	2,040 60	16	2,904 00	15	2,396 70	11	1,703 02	13	1,980 55	12	2,026 44	8	1,161 04	8	1,031 12	8	1,224 96	14	2,117 08	13	1,958 71	14	2,085 88	11	1,825 23	10	1,648 90	27,641 58		
Middlesex																														3,402 89			
Muskoka	4	1,234 60	5	1,020 30	6	1,089 00	5	798 90	7	774 10	4	609 40	3	506 61	6	870 78	7	902 23	6	918 72	7	1,058 64	5	753 35	3	446 76	4	659 56	12	1,230 57	12,306 57		
Norfolk	7	2,160 55	8	1,632 48	9	1,633 50	10	1,597 80	11	1,703 02	11	1,675 85	10	1,688 70	10	1,451 30	10	1,288 90	9	1,378 08	8	1,209 76	7	1,054 69	6	893 52	6	995 58	4	659 56	21,023 29		
Northumberland	2	617 30	3	612 18	1	181 50	6	958 68	6	928 92	7	1,066 45	6	1,013 22	9	1,306 17	5	644 45	8	1,224 96	7	1,058 64	9	1,356 03	5	744 60	7	1,161 51	5	824 45	13,699 32		
Ontario	1	308 65	1	204 06	1	181 50	3	479 34	3	464 46	3	457 05	4	675 48	3	435 39	3	386 67	5	765 60	5	756 10	6	904 02	6	893 52	6	995 58	5	824 45	8	824 45	9,994 67
Parry Sound																														748 36			
Peel	2	617 30	2	408 12	3	544 50	4	639 12	5	798 90	5	774 10	5	761 75	4	675 48	5	725 65	4	612 48	5	756 10	5	753 35	7	1,042 94	7	1,042 94	7	1,042 94	3,402 89		
Perth	4	1,234 60	5	1,020 30	5	907 50	13	2,077 14	16	2,477 12	16	2,437 60	18	3,039 66	19	2,757 47	18	2,320 02	16	2,449 92	16	2,452 52	15	2,260 05	18	2,680 56	16	2,544 88	13	2,143 57	32,879 91		
Peterboro	1	308 65	1	204 06	1	181 50	5	798 90	6	928 92	6	914 10	5	844 35	3	435 39	4	515 56	2	306 24	2	302 44	2	301 34	3	446 76	3	446 76	3	446 76	3	446 76	7,315 08
Prescott																														2,456 27			
Prince Edward	1	308 65	1	204 06	1	181 50	1	159 78	1	154 82	2	304 70	2	337 74	3	435 39	3	386 67	4	612 48	6	907 32	6	904 02	6	893 52	6	995 58	6	989 34	7,081 36		
Renfrew	1	308 65	2	408 12	1	181 50	1	159 78	1	154 82	2	304 70	2	337 74	3	435 39	3	386 67	4	612 48	6	907 32	6	904 02	6	893 52	6	995 58	6	989 34	7,081 36		
Russell	4	1,234 60	6	1,224 36	4	726 00	6	958 68	7	1,083 74	8	1,218 80	10	1,688 70	10	1,688 70	10	1,688 70	10	1,688 70	10	1,688 70	10	1,688 70	10	1,688 70	10	1,688 70	10	1,688 70	10	1,688 70	4,971 26
Simcoe																														20,816 46			
Stormont																														5,249 18			
Victoria																														2,294 21			
Waterloo	1	308 65	2	408 12	3	544 50	3	479 34	4	619 28	6	914 10	5	844 35	7	1,015 91	8	1,031 12	8	1,224 96	8	1,209 76	11	1,637 37	9	1,340 28	9	1,493 37	7	1,154 23	13,165 57		
Welland	1	308 65	2	408 12	3	544 50	3	479 34	4	619 28	6	914 10	5	844 35	7	1,015 91	8	1,031 12	8	1,224 96	8	1,209 76	11	1,637 37	9	1,340 28	9	1,493 37	7	1,154 23	13,165 57		
Wentworth	2	617 30	3	612 18	2	363 00	9	1,438 02	11	1,703 02	11	1,675 85	10	1,688 70	10	1,451 30	8	1,031 12	4	612 48	2	302 44	3	452 01	5	744 60	5	824 45	5	824 45	14,346 12		
York	4	1,234 60	7	1,428 42	14	2,541 00	16	2,876 04	18	2,786 76	20	3,047 00	21	3,546 27	26	3,773 38	18	2,320 02	18	2,320 02	18	2,320 02	18	2,320 02	18	2,320 02	18	2,320 02	18	2,320 02	18	2,320 02	849 68
Other Provinces																																	
Totals	70	21,605 48	122	24,895 55	149	27,042 53	202	32,276 42	207	32,047 59	220	33,517 35	227	33,332 50	251	36,426 39	229	29,515 15	239	36,596 77													

THE HISTORY OF THE

REIGN OF THE EMPEROR OF THE ROMAN EMPIRE

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A STATEMENT shewing the Grants paid in each year to Public, Separate and High Schools from 1871 to 1885, including Townships, Towns and Villages in each County, but not Cities.

COUNTIES, INCLUDING TOWNS AND VILLAGES, BUT NOT CITIES.	GRANTS TO PUBLIC, SEPARATE AND HIGH SCHOOLS.															
	1871.	1872.	1873.	1874.	1875.	1876.	1877.	1878.	1879.	1880.	31.	1882.	1883.	1884.	1885.	TOTAL.
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Glengarry.....	2,914	3,372	3,708	3,763	3,769	3,424	4,070	4,033	3,548	3,898	3,720	3,797	3,720	3,725	3,677	55,138
Stormont.....	2,677	2,890	3,009	3,368	3,235	3,455	3,399	3,634	3,285	3,684	3,535	3,659	3,579	3,593	3,548	50,550
Dundas.....	3,855	3,937	4,338	4,279	4,041	3,712	3,777	4,070	3,740	3,656	3,491	3,815	3,652	3,681	3,538	57,582
Prescott.....	2,676	2,880	3,150	3,574	3,623	3,500	3,608	3,762	3,659	4,056	3,688	3,978				
Russell.....	1,213	1,318	1,578	1,682	1,682	1,312	1,422	1,282	1,456	1,925	1,483	1,522	5,684	5,618	5,528	76,859
Carleton.....	4,900	4,789	4,630	4,095	4,400	5,034	4,801	4,649	4,754	4,432	4,406	4,732	4,448	4,342	4,467	71,309
Grenville.....	3,626	3,640	4,343	4,353	4,233	4,393	4,508	4,035	4,129	3,950	4,028	4,034	3,886	4,034	3,886	61,518
Leeds.....	5,974	6,288	6,840	7,294	7,387	7,625	6,919	7,363	7,093	7,481	6,990	7,031	7,014	6,875	6,745	104,869
Lanark.....	6,912	6,337	7,435	7,798	8,307	8,809	7,782	8,308	7,777	7,977	7,860	8,043	8,187	8,187	8,705	116,254
Renfrew.....	4,689	5,757	5,637	5,674	5,989	6,983	6,572	7,194	8,162	8,689	8,233	8,128	8,971	9,051	7,961	108,434
Frontenac.....	3,653	4,462	4,203	4,504	4,953	5,655	5,345	5,670	4,922	4,086	3,926	3,987	3,833	3,873	3,882	66,854
Lennox and Addington.....	5,067	6,566	5,833	6,377	6,127	5,849	5,960	5,617	5,253	5,015	4,778	4,896	4,929	5,165	4,982	83,014
Prince Edward.....	3,086	3,615	3,553	4,110	3,892	3,604	3,970	3,709	3,365	3,588	3,380	3,414	3,293	3,472	3,384	53,035
Hastings.....	6,723	8,481	9,425	9,884	8,801	10,061	10,188	8,288	7,432	6,572	7,186	6,906	6,787	6,803	6,540	120,077
Northumberland.....	7,920	8,786	8,747	8,937	9,679	9,768	8,936	8,752	8,696	8,672	7,106	6,682	8,713	8,144	7,936	130,904
Durham.....	6,743	7,147	7,152	7,537	7,649	7,914	8,118	7,182	6,872	6,991	6,991	7,214	7,031	6,961	6,961	109,542
Peterboro'.....	7,564	6,786	8,388	8,159	8,490	8,819	7,045	6,637	6,598	6,830	6,591	6,391	6,364	6,363	6,363	105,409
Haliburton.....					1,855	1,775	2,270	1,567	3,101	1,587	2,245	2,378	2,176	1,552	2,097	22,603
Victoria.....	5,632	6,410	7,154	7,983	7,905	6,456	7,764	7,662	9,836	9,002	9,297	6,961	9,012	10,552	120,566	
Ontario.....	10,554	8,092	9,964	10,703	10,545	10,670	11,030	11,074	10,161	10,159	10,544	10,936	11,112	10,800	11,028	157,372
York.....	9,614	8,455	9,762	10,430	10,569	10,941	11,386	11,602	10,885	11,038	10,888	11,372	10,348	10,098	9,560	156,868
Peel.....	4,404	4,677	4,545	4,777	4,875	5,032	4,649	4,760	4,777	4,618	4,571	4,673	4,990	4,737	4,737	71,169
Simcoe.....	9,137	9,698	11,233	12,962	12,233	14,239	14,148	16,109	14,745	16,694	15,479	14,536	14,525	14,290	14,031	204,059
Halton.....	3,293	3,634	3,984	3,779	3,745	3,853	3,923	3,984	3,637	3,695	3,633	3,744	3,666	3,886	3,312	55,768
Wentworth.....	5,106	5,347	5,739	6,194	6,068	5,964	6,150	6,376	5,321	5,146	5,506	5,392	5,324	5,206	4,910	83,749
Lincoln.....	5,173	5,876	6,398	7,065	7,090	8,086	8,839	8,805	8,327	8,440	8,326	8,202	8,203	8,136	7,212	122,125
Brant.....	6,159	8,540	8,800	9,227	9,182	6,305	5,293	5,579	5,803	6,010	5,334	5,240	4,843	4,930	4,930	96,192
Welland.....	5,230	5,318	4,978	5,214	5,222	5,124	5,651	5,318	5,461	5,871	5,798	5,671	6,021	5,876	5,556	82,309
Haldimand.....	4,143	4,508	4,795	4,958	5,078	5,123	4,734	5,327	4,989	5,143	5,230	5,422	4,956	4,623	4,481	73,812
Norfolk.....	5,285	5,458	5,904	6,268	6,096	6,140	6,346	6,603	6,289	6,538	6,145	6,307	6,234	6,205	5,769	91,587
Oxford.....	6,151	8,069	8,166	8,672	8,472	8,218	8,356	8,826	7,725	8,016	7,849	8,098	7,903	7,882	7,938	120,341
Waterloo.....	7,030	8,852	9,320	10,643	9,724	9,109	8,768	8,739	8,250	7,979	7,722	8,171	8,438	8,550	8,574	129,869
Wellington.....	9,164	9,794	10,236	11,695	11,046	11,291	11,940	12,636	10,958	11,126	10,440	10,241	10,028	9,122	9,158	138,275
Dufferin.....											2,742	3,797	4,100	4,043	3,885	19,075
Grey.....	7,715	8,944	9,599	10,208	10,311	10,018	9,863	10,103	10,152	10,313	10,502	10,365	10,180	10,286	10,332	148,444
Perth.....	6,571	7,515	8,660	9,878	9,635	10,181	10,220	10,548	10,686	12,159	11,700	11,881	10,994	11,273	10,837	152,738
Huron.....	8,954	9,395	10,396	10,953	11,057	11,434	11,736	11,941	11,664	12,407	11,926	12,234	12,535	12,414	11,866	170,912
Bruce.....	5,819	6,742	7,593	8,837	8,981	8,933	8,708	8,895	9,443	10,188	9,500	9,839	9,427	9,749	9,492	132,146
Middlesex.....	8,246	9,133	10,387	11,011	11,234	11,470	11,894	11,926	10,811	11,293	11,495	11,407	11,674	11,769	11,475	165,225
Elgin.....	5,090	5,716	5,663	6,719	6,643	6,855	6,838	7,160	6,220	8,274	6,718	5,515	5,191	5,234	5,034	94,270
Kent.....	4,758	5,666	6,194	6,362	6,447	6,451	6,404	6,796	6,981	7,304	7,204	7,650	7,915	8,506	8,415	103,063
Lambton.....	4,282	5,288	5,931	6,450	6,605	6,528	6,311	6,473	6,797	7,300	7,734	7,734	7,734	7,734	7,734	98,572
Essex.....	3,993	4,655	5,381	6,504	5,833	5,761	5,835	5,747	6,183	6,921	6,829	6,667	6,667	7,253	7,084	90,323
Districts.....	270	1,023	1,250	1,263	1,954	2,756	3,275	4,223	3,628	6,371	5,752	9,293	13,556	12,583	12,816	80,013
Total.....	231,645	253,856	273,711	294,448	295,562	296,671	295,907	299,885	287,950	300,919	294,346	300,580	300,474	301,120	297,219	4,324,293

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STATEMENT shewing amounts paid from Consolidated Revenue to Counties and Districts on Account of the Administration of Justice during the years 1871 to 1885 inclusive.

	1871.	1872.	1873.	1874.	1875.	1876.	1877.	1878.	1879.	1880.	1881.	1882.	1883.	1884.	1885.	Total.
	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.
Brant	4,369 41	2,457 63	3,080 30	3,894 69	4,064 00	4,992 74	4,519 23	3,607 13	5,787 21	5,998 40	2,999 00	3,082 22	3,168 94	2,588 38	3,756 97	58,366 05
Bruce	1,193 91	1,110 19	1,718 07	2,096 35	2,246 66	2,259 32	4,623 68	4,245 75	3,024 96	3,165 55	2,740 23	1,843 08	2,009 45	1,047 79	3,786 60	37,241 02
Carleton	2,598 91	3,094 32	4,316 71	4,109 54	4,324 31	4,397 70	4,141 86	4,926 40	4,167 96	3,662 46	3,134 41	4,866 64	3,537 89	4,165 84	6,057 84	60,255 24
Dufferin		3,323 59	4,466 60	3,860 58	5,040 03	6,494 46	3,862 16	6,302 20	4,698 83	4,497 40	5,233 63	3,677 71	3,019 98	4,410 62	5,244 97	67,697 33
Elgin	3,317 62	3,103 53	2,804 08	4,173 84	4,135 70	4,042 61	2,990 59	5,171 09	3,362 17	3,447 75	3,040 39	3,192 86	2,523 95	4,151 51	4,156 35	53,614 04
Essex	4,345 28	2,254 52	2,743 28	3,045 59	2,924 50	3,069 93	3,040 57	2,746 78	2,107 48	2,256 16	3,250 03	3,018 68	1,551 02	1,949 32	2,565 10	40,867 89
Frontenac	2,990 65	2,052 82	2,060 91	2,417 86	2,452 66	3,638 45	3,783 98	4,433 15	3,750 99	4,590 76	3,133 41	2,176 90	2,623 87	2,674 86	2,836 84	45,618 87
Grey	1,990 65	1,958 04	2,791 46	1,535 60	1,356 65	2,979 98	3,577 10	1,544 96	3,506 75	2,822 10	2,102 25	1,665 08	2,438 93	2,301 61	3,241 60	35,812 76
Haldimand			856 63	549 74	772 40	1,279 36	1,730 28	1,997 99	1,047 36	639 35						10,803 21
Hamilton, City	1,095 51	734 59			1,000 00	1,612 50	1,000 00	1,376 75	1,443 75	1,106 66						13,968 21
Haliburton		1,635 30	1,725 79	855 15	1,128 03	1,368 83	1,470 40	2,748 66	793 11	1,320 81	1,644 28	1,169 87	964 58	748 21	1,337 37	20,416 32
Hatton	1,456 57	2,156 76	1,831 84	2,181 84	1,874 88	3,420 33	2,879 03	2,845 93	2,270 04	2,989 38	1,461 75	1,505 18	1,971 74	1,849 51	5,305 75	36,000 19
Hastings	1,927 89	2,002 32	1,374 67	1,957 78	2,181 22	3,753 65	4,108 37	2,826 67	4,938 41	2,687 66	2,837 74	2,298 17	1,765 74	2,749 80	2,779 46	40,189 55
Huron	3,208 78	3,240 56	2,789 45	2,642 72	3,815 51	4,741 95	5,241 89	3,296 51	4,389 53	2,736 92	3,681 11	2,928 32	3,241 93	3,231 98	52,394 65	52,394 65
Kent	3,627 54	3,929 86	3,583 01	3,410 64	2,637 27	3,003 05	3,240 29	4,025 23	3,336 05	3,498 79	2,778 04	2,535 81	3,662 58	2,091 19	48,826 64	48,826 64
Lambton	1,459 60	1,205 39	1,036 04	1,289 47	1,286 57	1,430 93	1,007 95	1,244 73	1,583 30	1,947 92	1,121 08	956 79	1,290 81	1,291 31	1,079 79	19,231 68
Leeds and Grenville	2,647 14	2,724 78	3,047 43	1,517 54	1,078 63	2,104 73	3,169 09	2,569 07	2,667 83	1,858 03	1,976 32	1,741 85	1,106 30	1,455 07	1,630 59	31,296 46
Lennox and Addington	1,118 40	1,871 00	1,485 17	1,600 24	1,120 05	2,061 27	1,114 79	935 97	1,364 92	1,436 66	2,460 53	1,194 09	2,289 45	1,203 41	2,289 45	22,139 30
Lincoln	2,608 17	2,946 31	3,212 81	4,616 24	4,606 72	5,185 51	3,064 09	4,594 47	2,633 99	2,643 13	2,193 93	2,190 34	2,104 90	2,420 25	2,935 00	47,055 96
Middlesex	6,243 37	10,233 80	7,808 69	5,100 18	8,430 83	10,875 84	10,364 81	11,102 52	8,856 48	7,420 14	8,906 80	5,098 59	6,303 01	9,014 62	10,181 65	125,941 63
Norfolk	3,256 16	3,305 91	3,381 35	3,212 07	3,347 76	6,536 80	3,046 38	3,641 85	3,225 08	3,989 89	2,023 18	2,171 48	1,800 99	1,568 46	2,552 25	47,065 61
Northumberland and Durham	5,018 21	3,240 32	2,328 02	3,311 85	1,888 75	4,434 97	3,483 70	6,904 90	3,561 93	4,467 66	2,301 16	3,250 62	3,971 20	2,667 24	3,632 01	54,462 64
Ontario	3,065 70	2,140 77	2,807 49	2,830 16	2,217 34	5,028 49	4,743 72	4,689 85	2,912 92	4,281 42	3,537 16	2,293 75	2,308 89	2,378 31	4,032 83	49,825 80
Oxford	2,122 74	3,094 28	2,127 38	2,443 38	3,098 04	3,314 23	4,709 34	3,635 76	2,610 58	1,615 93	1,842 37	2,579 92	1,895 49	2,352 52	41,823 37	41,823 37
Peel	2,513 93	1,877 30	1,689 91	1,318 28	1,257 39	2,710 14	1,836 19	1,283 40	1,142 41	960 91	1,041 17	1,455 94	787 15	1,320 97	2,176 69	23,391 76
Perth	2,295 48	1,877 62	2,618 52	1,976 09	2,499 48	3,614 41	2,886 10	3,320 82	3,537 04	1,681 63	2,954 17	1,938 79	2,098 14	2,383 89	3,481 50	39,164 28
Peterboro'	1,094 07	1,560 20	1,578 34	1,740 23	1,494 59	1,839 93	1,427 90	2,131 49	1,392 31	877 48	873 01	1,220 07	1,304 21	1,096 84	1,773 55	21,404 22
Prescott and Russell	665 07	786 44	971 19	308 73	937 45	1,031 75	2,276 95	974 72	1,638 19	1,356 39	1,279 25	1,251 04	2,142 55	2,167 61	2,163 45	19,850 76
Prince Edward	723 08	676 19	1,369 70	1,264 07	727 43	1,177 02	1,356 77	1,467 55	2,073 91	1,414 97	1,324 85	1,143 34	1,429 72	2,906 80	1,325 88	20,381 28
Renfrew	1,277 49	898 00	1,580 06	1,876 29	1,494 09	2,110 73	2,821 72	2,472 49	2,067 71	2,757 64	1,967 29	1,630 27	1,788 61	2,638 56	3,859 05	31,235 00
Simcoe	3,429 41	3,429 30	4,371 48		2,783 14	1,947 52	6,462 43	5,966 03	5,325 68	4,595 38	5,208 53	4,528 33	3,683 29	4,388 42	5,516 63	69,520 86
Stornton, Dundas and Glengarry	1,624 65	1,284 28	1,559 33	1,727 00	1,259 23	3,292 02	2,165 45	3,512 66	3,027 13	2,320 25	1,465 85	1,603 77	1,604 00	2,486 33	2,098 60	31,030 55
Toronto	3,188 58	3,369 12	5,544 75	4,173 78	2,679 39	6,346 47	3,340 10	4,440 30	4,820 42	2,887 38	1,972 32	1,049 70	2,756 45	2,493 06	2,728 62	50,790 46
Victoria	1,766 90	1,389 55	2,059 39	2,404 64	1,145 87	2,448 04	2,602 91	3,175 80	2,405 46	2,142 90	1,909 02	1,696 79	1,009 14	1,336 69	1,940 47	29,433 89
Waterloo	3,017 98	2,603 13	3,288 50	2,132 67	2,132 67	4,287 28	2,604 54	4,588 74	2,969 40	2,036 67	2,092 11	2,456 26	3,060 27	2,189 13	2,076 84	42,067 02
Welland	2,064 86	2,045 24	2,728 86	3,185 33	2,870 56	4,586 99	4,331 90	5,040 90	3,112 06	4,457 10	2,517 23	2,333 45	1,327 25	2,366 58	3,068 86	46,037 07
Wellington	3,350 99	3,374 31	3,231 66	2,555 15	3,060 55	3,651 00	2,941 97	3,534 40	3,638 71	3,545 34	2,191 50	2,690 45	2,090 17	3,001 83	3,362 62	46,630 52
Wentworth	4,511 17	4,393 24	4,897 85	6,484 07	6,363 46	8,369 56	7,190 30	8,730 70	5,428 58	3,619 23	3,427 41	3,872 06	2,796 42	4,363 00	6,414 26	82,660 40
York	8,030 29	7,724 07	6,137 52	10,632 29	11,284 16	14,439 69	13,181 14	11,654 17	11,355 40	11,857 64	10,084 05	16,931 44	16,935 20	179,909 68	179,909 68	179,909 68
Algoma	4,569 70	5,729 41	6,500 00	6,628 18	6,240 86	7,827 33	9,133 51	7,945 08	7,813 73	6,667 90	7,464 04	8,930 70	12,755 89	12,755 89	115,587 32	115,587 32
Muskoka	1,255 58	1,285 27	1,300 00	1,590 47	1,289 16	1,000 00	2,072 68	2,593 76	2,269 03	2,195 98	2,413 86	2,742 67	2,205 85	3,401 92	30,583 39	30,583 39
Nipissing	1,800 10	1,639 89	2,240 42	1,893 10	1,778 63	1,740 26	1,910 95	2,090 82	3,167 93	4,843 01	3,795 39	4,547 31	5,202 31	6,120 71	47,069 56	47,069 56
Parry Sound	504 00	1,604 30	1,585 65	1,839 19	1,738 94	2,124 15	1,971 74	2,345 63	2,456 98	2,456 98	2,480 81	2,822 02	2,803 04	2,590 65	2,890 58	32,113 65
Thunder Bay	744 55	3,027 69	4,532 52	2,742 16	3,117 09	4,604 76	5,722 98	4,691 19	4,975 33	7,184 63	6,088 21	7,523 05	8,322 63	12,155 43	13,614 88	89,047 60
Northern and western parts of the Province														17,959 53	10,883 66	17,959 53
Rainy River																10,883 66
Total	112,923 56	114,991 18	124,272 83	123,889 06	123,063 55	172,898 30	162,956 79	179,449 97	156,375 77	146,697 67	127,350 42	124,100 53	122,495 58	164,786 74	187,792 86	2,144,044 84

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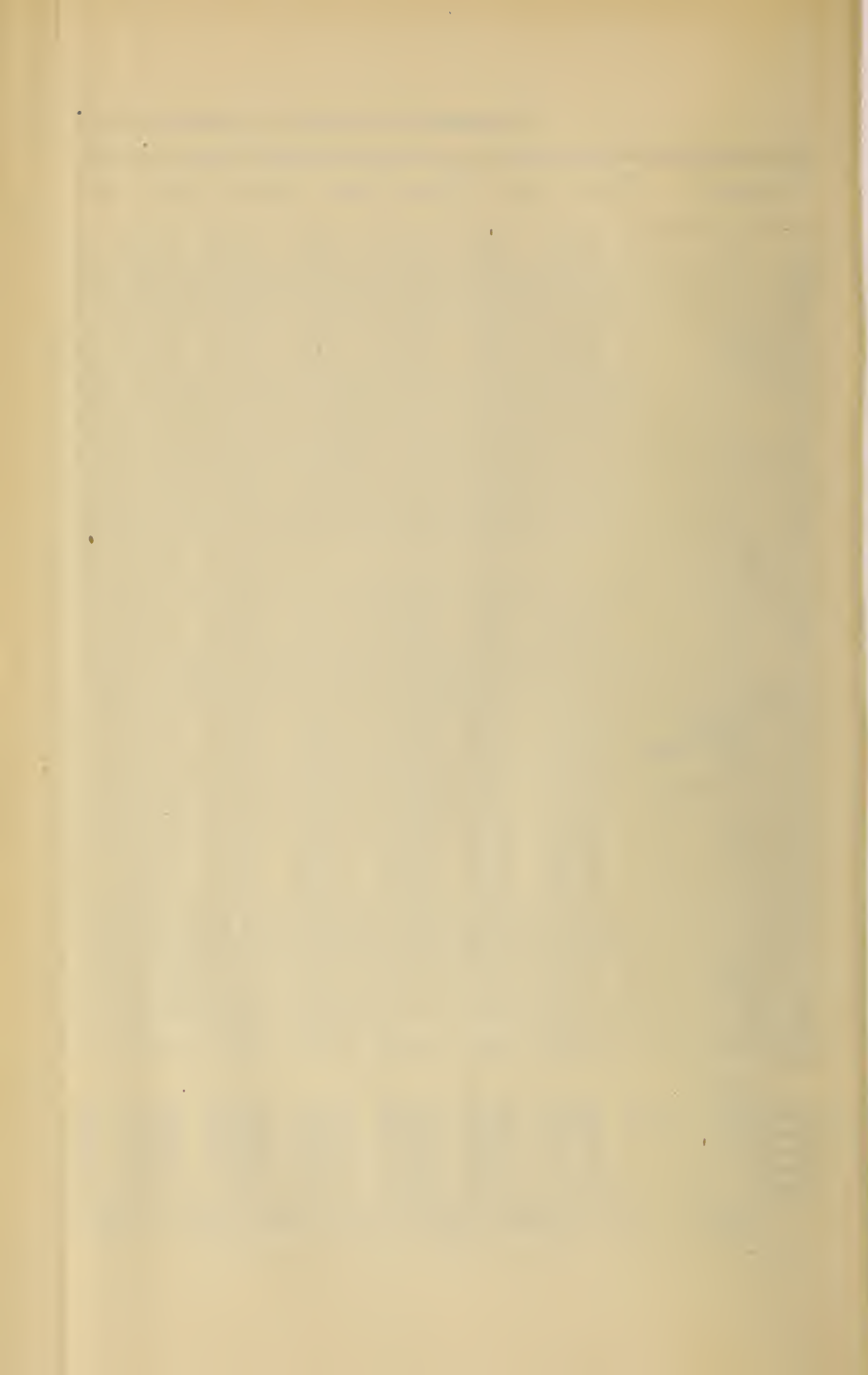
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STATEMENT shewing the grants to Agricultural Societies from 1871 to 1885, inclusive.

COUNTIES.	1871.	1872.	1873.	1874.	1875.	1876.	1877.	1878.	1879.	1880.	1881.	1882.	1883.	1884.	1885.	Total.
	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.
Essex	700 00	700 00	700 00	700 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	18,200 00
Kent	1,050 00	1,050 00	1,050 00	1,050 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	19,600 00
Elgin	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	21,000 00
Norfolk	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	21,000 00
Haldimand	933 34	933 33	933 33	933 33	933 34	933 33	933 34	933 33	933 34	933 34	933 33	933 34	933 33	933 33	933 33	13,083 01
Welland	933 33	933 34	933 34	933 33	933 33	933 33	933 33	933 34	933 33	933 33	933 34	933 33	933 34	933 33	933 33	14,000 00
Lambton	1,050 00	1,050 00	1,050 00	1,050 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	19,600 00
Huron	1,400 00	1,400 00	1,400 00	1,400 00	2,100 00	2,100 00	2,100 00	2,099 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	28,699 00
Bruce	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	21,000 00
Grey	1,400 00	1,400 00	1,400 00	1,400 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	28,700 00
Simcoe	1,750 00	1,750 00	1,750 00	1,750 00	2,450 00	2,450 00	2,450 00	2,450 00	2,450 00	2,450 00	2,450 00	2,450 00	2,450 00	2,450 00	2,450 00	33,950 00
Middlesex	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	31,500 00
Oxford	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	21,000 00
Brant	1,400 00	1,400 00	1,400 00	1,440 00	1,440 00	1,450 00	1,450 00	1,450 00	1,450 00	1,450 00	1,450 00	1,450 00	1,450 00	1,450 00	1,400 00	21,580 00
Perth	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	21,000 00
Wellington	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	31,500 00
Waterloo	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	21,000 00
Dufferin	.....	.....	.....	.....	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	7,700 00
Lincoln	1,283 33	1,283 33	1,283 33	1,283 33	1,283 33	1,283 34	1,283 33	1,283 33	1,283 33	1,283 33	1,283 33	1,283 33	1,283 33	1,283 34	1,283 34	19,249 00
Wentworth	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	21,000 00
Halton	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	10,500 00
Peel	1,050 00	1,050 00	1,050 00	1,050 00	1,050 00	1,050 00	1,050 00	1,050 00	1,050 00	1,050 00	1,050 00	1,050 00	1,050 00	1,050 00	1,050 00	15,750 00
York	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	2,100 00	1,991 00	2,100 00	2,100 00	2,021 00	2,100 00	2,100 00	2,100 00	2,100 00	31,312 00
Ontario	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	21,000 00
Durham	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	21,000 00
Northumberland	1,400 00	1,400 00	1,400 00	1,404 00	1,404 00	1,404 00	1,404 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	21,000 00
Prince Edward	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	10,500 00
Lennox & Addington	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,399 00	1,400 00	1,400 00	1,400 00	20,999 00
Frontenac	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	10,500 00
Leeds and Grenville	2,450 00	2,450 00	2,450 00	2,450 00	2,450 00	2,800 00	2,800 00	2,800 00	2,800 00	2,800 00	2,800 00	2,800 00	2,800 00	2,800 00	2,800 00	40,250 00
Dundas	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	10,500 00
Stormont	1,050 00	1,050 00	1,050 00	1,048 00	1,050 00	1,050 00	1,050 00	1,050 00	1,050 00	1,050 00	1,050 00	1,050 00	1,050 00	1,050 00	1,050 00	15,698 00
Glenagarry	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	631 50	700 00	700 00	700 00	700 00	700 00	700 00	10,431 50
Pembroke	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	10,500 00
Russell	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	10,500 00
Carleton	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	10,500 00
Renfrew	1,400 00	1,400 00	1,400 00	1,440 00	1,400 00	1,450 00	1,450 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,700 00	1,400 00	1,400 00	21,440 00
Lanark	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	21,000 00
Victoria	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	21,000 00
Peterboro'	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,396 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	1,400 00	20,996 00
Haliburton	2,100 00	2,100 00	2,100 00	2,070 00	2,100 00	2,075 00	2,100 00	2,100 00	2,099 00	2,048 00	2,081 00	2,100 00	2,240 00	2,200 00	2,175 00	31,888 50
Hastings	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Muskoka	.....	.....	.....	150 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	7,850 00
Perry Sound	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	700 00	700 00	700 00	2,100 00
Algoma	321 00	540 00	300 00	420 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	700 00	900 00	1,072 00	1,072 00	10,225 00
CITIES.																
London	350 00	350 00	350 00	350 00	350 00	350 00	350 00	350 00	350 00	350 00	350 00	350 00	350 00	350 00	350 00	5,250 00
Hamilton	350 00	315 00	490 00	490 00	500 00	500 00	500 00	350 00	350 00	350 00	350 00	350 00	350 00	350 00	350 00	5,945 00
Toronto	550 00	550 00	550 00	550 00	550 00	550 00	550 00	550 00	550 00	550 00	550 00	550 00	550 00	550 00	550 00	8,250 00
Kingston	350 00	350 00	350 00	350 00	350 00	350 00	350 00	350 00	350 00	350 00	.....	.....	.....	.....	.....	3,500 00
Ottawa	350 00	350 00	350 00	350 00	350 00	350 00	350 00	350 00	350 00	350 00	.....	.....	.....	.....	.....	4,200 00
Total	53,721 00	53,905 00	53,840 00	54,158 50	59,140 00	59,875 00	59,900 00	59,699 00	59,567 50	59,498 00	59,402 00	59,350 00	60,339 00	60,172 00	60,097 00	872,604 00

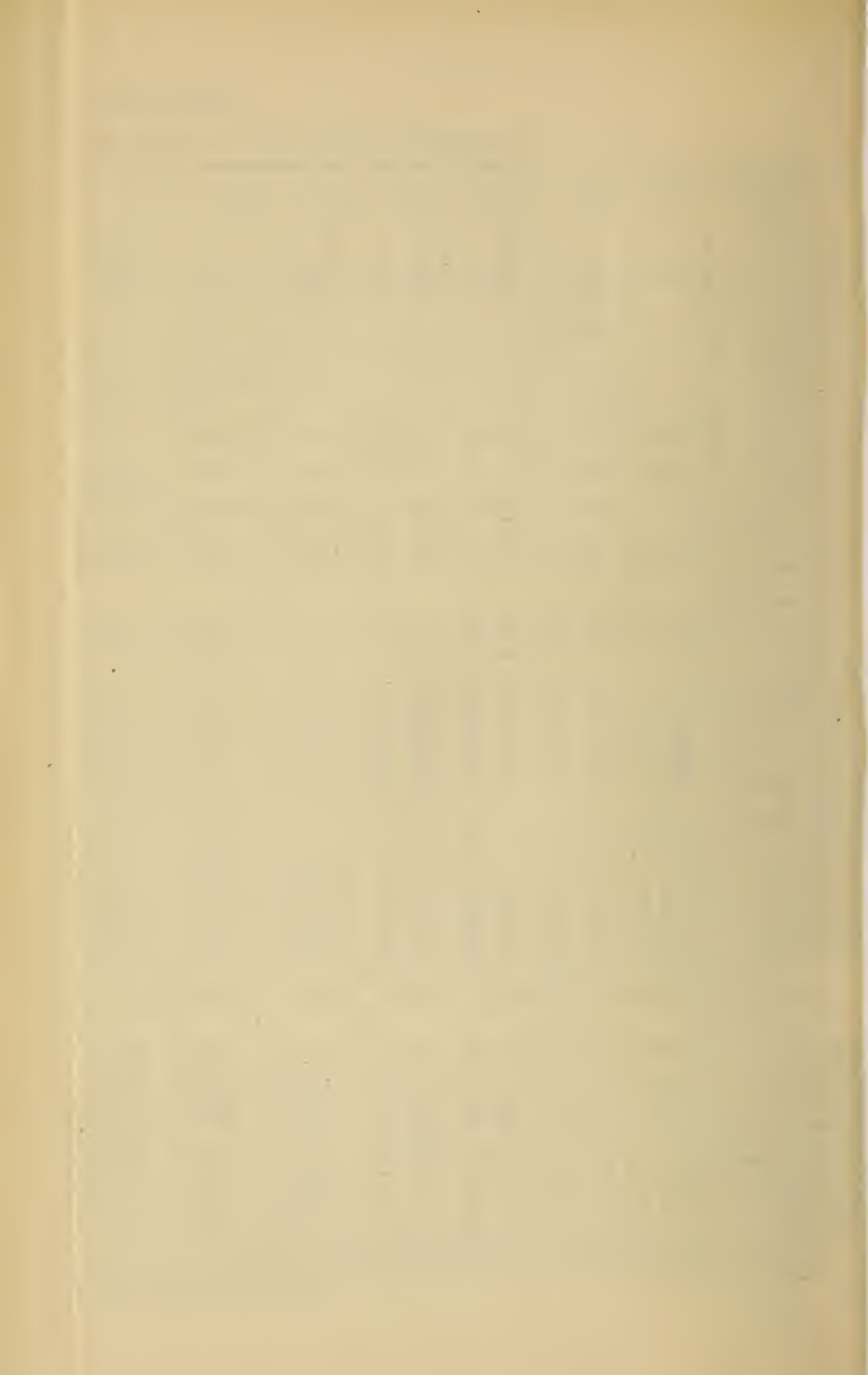


MECHANICS' INTITUTES.

STATEMENT shewing the cost thereof in each year from 1871 to 1885, inclusive.

COUNTIES.	1871.	1872.	1873.	1874.	1875.	1876.	1877.	1878.	1879.	1880.	1881.	1882.	1883.	1884.	1885.	Totals.
	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.
Algoma.....							400 00	400 00					100 00			900 00
Brant.....	600 00	444 38	600 00	800 00	800 00	800 00	800 00	400 00	400 00	800 00	600 00	700 00	700 00	800 00	589 00	9,833 38
Bruce.....		638 60	315 20	156 00	666 00	852 00	696 26	356 00		100 00	550 00	220 00	750 00	700 00	416 00	6,416 06
Carleton.....																
Durham.....		400 00			800 00	400 00	550 00	400 00		300 00		600 00	400 00			6,110 00
Dufferin.....								400 00		400 00		400 00				1,150 00
Elgin.....				400 00	730 00		300 00	300 00	300 00	700 00	500 00	280 00	350 00		208 00	4,068 00
Frontenac.....					400 00	400 00	400 00	400 00	400 00	400 00	400 00	480 00	480 00	400 00	362 00	4,522 00
Glengarry.....								220 00					100 00	240 00		560 00
Grenville.....								400 00	400 00	200 00	200 00	200 00	200 00	500 00	532 00	2,632 00
Grey.....	150 00	400 00	150 00	624 00	108 00	208 64	126 00	100 00	345 70	270 00	250 00	1,370 00	750 00	500 00	480 00	5,832 34
Haldimand.....				400 00									320 00	100 00	250 00	1,170 00
Halton.....	100 00	300 42	400 00		200 00	300 00	300 00	200 00	400 00	470 00	500 00	280 00	100 00	400 00	557 00	4,907 42
Hastings.....							400 00	400 00								800 00
Huron.....		722 58	400 00	400 00	1,576 00	958 13	1,813 20	1,493 50	1,382 00	1,570 00	1,460 00	1,947 00	1,880 00	1,380 00	2,052 00	19,034 41
Kent.....									400 00	800 00	800 00	800 00	800 00	700 00	250 00	4,550 00
Lambton.....				400 00	400 00	400 00	400 00	400 00	724 00	2,000 00	2,030 00	600 00	1,200 00	400 00	661 00	9,615 00
Langark.....	150 00	100 00	200 00	150 00	150 00	200 00	150 00	150 00			400 00	800 00	800 00	1,100 00	1,226 00	5,726 00
Leeds.....										400 00	400 00			300 00	374 00	1,474 00
Lennox and Addington.....									400 00	400 00	400 00			400 00	300 00	1,900 00
Lincoln.....	1,200 00	1,200 00	755 30	934 00	853 20	889 90	450 00	343 66	268 00	340 00	372 00	300 00	320 00	290 00	400 00	8,916 06
Middlesex.....			300 00	800 00	713 34	560 00	1,189 00	1,100 00	664 30	800 00	1,040 00	940 00	720 00	560 00	730 00	10,116 64
Muskoka.....						400 00								50 00		50 00
Norfolk.....	400 00		400 00	400 00	400 00	400 00		400 00	400 00	1,000 00			200 00	300 00	250 00	4,784 00
Northerland.....		258 14	148 00	200 00				120 00	120 00		240 00	120 00	120 00	120 00	520 00	2,366 14
Ontario.....	400 00	1,098 00	600 00	800 00	600 00	900 00	400 00	800 00	400 00	500 00	400 00	400 00	472 00	800 00	437 00	9,007 00
Oxford.....	800 00	400 00	400 00	400 00	400 00	400 00	800 00	670 00	400 00	900 00	1,300 00	1,300 00	850 00	575 00	995 00	10,590 00
Peel.....	692 00	520 00	200 00	800 00	400 00		100 00	210 84	726 00	80 00	200 00	250 00	250 00	980 00	816 00	6,254 84
Peterborough.....	400 00	633 20	500 00	500 00	400 00	500 00	400 00	400 00	500 00	500 00	500 00	550 00	400 00	400 00	430 00	7,063 20
Perth.....	250 00	954 30	702 00	1,200 00	1,200 00	1,600 00	1,200 00	1,100 00	800 00	800 00	800 00	400 00	1,200 00	400 00	570 00	13,576 30
Prince Edward.....									400 00							400 00
Renfrew.....	70 00								400 00				400 00	200 00		2,020 00
Simcoe.....	1,000 00	206 84	800 00	200 00	654 00	600 00	912 28	800 00	1,400 00	1,350 00	750 00	1,500 00	950 00	1,250 00	1,870 00	14,243 12
Victoria.....					400 00	200 00			400 00	400 00	700 00	500 40	600 00	500 00		4,200 40
Waterloo.....	1,566 40	1,600 00	1,358 72	1,188 00	1,536 00	1,536 00	1,480 00	1,900 00	1,700 00	1,010 00	1,800 00	2,060 00	1,517 00	2,256 00	1,294 00	23,742 12
Welland.....	400 00	200 00	400 00	400 00	400 00	600 00	600 84	600 00	1,000 00	500 00	500 00	600 00	1,200 00	800 00	250 00	8,500 84
Wellington.....	418 50	1,133 14	700 00	1,560 00	1,600 00	1,400 00	1,400 00	1,400 00	2,117 00	980 00	380 00	800 00	1,350 00	990 00	1,635 00	17,863 64
Wentworth.....	400 00	480 00	400 00	480 00	450 00		400 00	480 00	480 00	400 00	400 00	540 00	480 00	400 00	335 00	6,525 00
York.....	70 00	273 50	605 74	655 00	560 00	170 00	110 00	344 92	1,268 26	310 00	630 00	750 00	700 00	700 00	1,262 00	8,429 42
Totals.....	9,006 90	12,197 10	10,334 96	13,847 00	16,746 54	15,124 67	15,957 58	16,388 92	19,685 26	17,280 00	20,852 00	19,917 40	20,709 00	20,141 00	21,661 00	249,849 33
Cities.....																
Brantford.....	400 00	244 38	400 00	400 00	400 00	400 00	*400 00	400 00	400 00	400 00	400 00	400 00	400 00	400 00	250 00	5,694 38
Belleville.....							400 00	*400 00	400 00	400 00	400 00	400 00	400 00	400 00	250 00	3,370 00
Guelph.....	293 00	134 34		400 00	400 00	400 00	400 00	400 00	*400 00	400 00	400 00	400 00	440 00	300 00	250 00	4,977 34
Hamilton.....	400 00	400 00	400 00	400 00	400 00	400 00	400 00	400 00	400 00	400 00						4,000 00
London.....	400 00	400 00	300 00	400 00	400 00	400 00	400 00	400 00	400 00	400 00	400 00	400 00	400 00	400 00	250 00	5,750 00
Ottawa.....				400 00			200 00									600 00
St. Catharines.....	400 00	400 00	400 00	400 00	400 00	*400 00	400 00	400 00	400 00	400 00	400 00	400 00	400 00	300 00		5,750 00
St. Thomas.....				400 00			400 00			400 00	400 00	400 00	400 00		550 00	2,350 00
Stratford.....	250 00	154 30	302 00		400 00	400 00	400 00	400 00	400 00	400 00	800 00		400 00		*300 00	4,206 30
Toronto.....	400 00	400 00	400 00		400 00	400 00	400 00	400 00	400 00	400 00	400 00	400 00	400 00	300 00	250 00	5,750 00
Kingston.....									400 00	400 00	400 00	400 00	400 00	400 00	253 00	2,653 00
Totals.....	2,543 00	2,133 02	2,202 00	3,200 00	3,200 00	2,800 00	3,400 00	3,200 00	3,600 00	3,600 00	4,000 00	3,220 00	3,600 00	2,400 00	2,603 00	45,701 02

* N. B.—The asterisks show the time they became cities.



GENERAL STATEMENT shewing the amount of benefit derived by each County during fifteen years, 1871-1885, on account of the following heads:—

COUNTY.	Lunatic Asylums.	Central Prison.	Reformatory for Boys.	Blind Institution.	Deaf and Dumb Institution.	Public Separate and High Schools.	Administration of Justice.	Agricultural Societies.	Mechanics' Institutes.	TOTAL.
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Brant	86,830	10,531	21,914	16,080	19,064	72,125	58,366	21,580	9,833	316,323
Bruce	83,022	4,441	4,769	13,559	13,016	132,146	37,241	21,000	6,410	315,104
Carleton	146,668	16,207	18,582	6,389	14,346	71,309	60,800	10,500		344,801
Dufferin	2,454	440		6,956	148	19,075	5,722	7,700	1,150	43,645
Elgin	103,845	15,846	14,083	3,282	12,551	94,270	67,697	21,000	4,068	336,442
Essex	69,949	20,058	9,158	7,273	7,258	90,523	53,614	18,250		276,933
Frontenac	153,035	18,637	16,118	15,201	11,687	66,854	40,867	10,500	4,522	339,421
Stormont	80,217	6,504	436	876	5,249	50,550		15,698		
Dundas	30,366		335	8,418	5,165	57,582	31,030	10,500	560	413,522
Glengarry	35,726		3,717	1,818	3,176	55,138				
Leeds	71,825	15,865	6,540	8,071	9,062	104,869			1,474	386,051
Grenville	24,572	352	4,653	938	2,114	61,518	31,296	40,250	2,632	368,083
Grey	99,427	5,449	3,611	9,968	21,034	148,444		28,700	5,832	368,083
Haldimand	62,664	2,412	4,270	4,517	5,339	73,812		14,000	1,170	203,396
Haliburton					1,016	22,603		13,968	3,000	40,617
Halton	64,484	2,101	4,005	1,635	6,124	55,768	20,416	10,500	4,907	170,033
Hastings	87,667	8,941	8,672	10,466	25,375	120,077	36,000	31,688	800	329,686
Huron	115,416	4,275	5,222	13,370	27,641	170,912	40,189	28,699	19,034	424,788
Kent	86,744	12,457	11,144	9,600	8,339	103,063	52,394	19,600	4,550	307,891
Lambton	118,961	6,989	24,328	6,819	13,506	59,872	48,832	19,600	9,615	348,516
Leamington	74,430	2,873	1,082	527	4,382	115,204	19,231	5,726		244,515
Lennox and Addington	62,921	2,005	2,146	4,864	7,714	83,014	22,130	19,250	1,900	205,013
Lincoln	88,959	15,804	18,651	6,807	6,521	96,192	47,055	21,000	8,916	309,905
Madison	275,598	41,067	33,457	19,472	27,647		125,941	31,500	10,116	564,798
Norfolk	62,388	5,817	10,256	11,437	12,306	91,587	47,065	21,000	4,784	266,640
Northumberland	113,413	14,222	8,607	8,208	21,023	130,904	54,462	21,000	2,866	608,556
Durham	69,023	4,174	6,291	5,180	12,541	109,942		21,000	6,110	
Ontario	138,615	11,211	19,894	7,239	13,699	157,772	49,935	21,000	9,007	427,372
Oxford	104,544	12,143	12,968	3,021	9,094	120,341	41,823	21,000	10,590	335,514
Peel	82,753	2,771	986	1,882	5,574	71,169	23,391	15,750	6,254	210,530
Perth	98,752	3,412	9,436	9,764	32,879	152,738	39,164	21,000	13,576	380,721
Peterborough	48,770	3,399	2,929	8,933	7,315	105,409	21,404	20,996	7,063	226,218
Prescott	32,262	1,212	159	2,303	2,456	76,859		19,850		164,431
Russell	2,921	86	352		4,971			10,500		
Prince Edward	30,401	1,076	1,076	7,377	1,946	53,033	20,381	21,000	400	126,577
Renfrew	38,687	3,317	3,714	12,550	7,086	108,434	31,235	21,410	2,020	228,597
Simcoe	131,458	11,950	7,916	10,637	20,816	204,059	69,520	33,950	14,243	504,549
Victoria	58,032	2,522	2,904	6,323	2,294	120,566	29,433	21,000	4,200	247,274
Waterloo	71,456	11,056	10,750	7,577	13,165	129,869	42,067	21,000	23,742	330,682
Welland	53,574	18,267	9,510	5,999	5,704	82,309	46,037	14,000	8,500	245,900
Wellington	106,072	13,250	3,957	11,550	16,521	158,275	46,630	31,500	17,863	405,618
Wentworth	108,805	62,820	45,845	28,827	18,778	83,749	82,660	21,000	6,525	569,078
York	599,296	163,053	66,100	46,797	37,345	156,868	179,909	31,312	8,429	1,292,109
Unorganized Districts	11,450	925	182	2,538	4,457		343,244	9,950	950	373,696
Total	4,080,542	581,234	443,305	375,237	566,519	4,078,565	2,082,432	885,294	249,837	13,232,865



SPEECH

OF THE

HON. A. M. ROSS,

TREASURER OF THE PROVINCE OF ONTARIO.

DELIVERED ON THE 15th MARCH, 1887,

IN THE

LEGISLATIVE ASSEMBLY OF ONTARIO,

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY.

REPORTED BY THOS. BENGOUGH AND L. V. PERCIVAL.

TORONTO :

PRINTED BY WARWICK & SONS, 26 AND 28 FRONT STREET.
1887.

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FINANCIAL STATEMENT

OF THE

HON. A. M. ROSS.

LEGISLATIVE ASSEMBLY,

TORONTO, Thursday, 15th March, 1887.

MR. SPEAKER :

In moving that the House go into Committee of Supply, it is expected, according to the custom, that I should make some statement as to the financial operations of the past year and the present position of the Province. With the Public Accounts of receipts and expenditure in detail in the hands of the members, with the particulars of our proposed expenditure of 1887 set forth explicitly in the estimates in the possession of the House, any member who has taken the trouble to examine these will no doubt be almost as fully acquainted with the financial operations of the Province as I am myself. And, unless for the information of the general public, I suppose any extended or detailed reference to these operations is almost unnecessary. In Ontario, where our receipts and expenditure have settled into well defined and established lines, where variations of the amounts under the different heads of expenditure are but records of the gradual increase of expenditure that must of necessity accompany our development and increase of population, where every phase of the Public Accounts and the financial transactions of the past years have been discussed in former statements, and where comparisons with former years have been exhausted and have admittedly become stale and unprofitable, the annual statement we are able to present must to a certain

extent be of a stereotyped character and dry and uninteresting. I cannot also but remember that we are fresh from an election where the finances of the Province were discussed *pro* and *con* upon every platform, and for this reason any lengthened reference to this subject will be almost unpardonable. I think, therefore, I will best meet the wishes of the House by confining myself to a simple business statement of the transactions of the past year, with such references and explanations as may be necessary for their elucidation. First, I may place before the House the receipts of the past year, giving such explanations of the items as may seem to be required. As these statements are in the hands of honorable members and of the Press, some references may be omitted in order to save time.

RECEIPTS, 1886.

SUBSIDY	\$1,116,872 80	
SPECIFIC GRANT	80,000 00	
		\$1,196,872 80
INTEREST ON CAPITAL HELD, AND DEETS DUE BY THE DOMINION TO ONTARIO	\$279,111 10	
INTEREST ON INVESTMENTS	55,893 63	
		\$335,004 73
CROWN LANDS DEPARTMENT:—		
Crown Lands	\$55,452 15	
Clergy Lands	8,129 89	
Common School Lands	17,997 26	
Grammar School Lands	3,235 76	
Woods and Forests	715,797 73	
Casual Fees, etc.	2,667 57	
In suspense	11,532 92	
		\$814,813 28
ALGOMA TAXES		13,143 40
LAW STAMPS		62,291 65
LICENSES		211,162 76
EDUCATION DEPARTMENT	\$36,739 50	
“ SCHOOL OF SCIENCE	1,490 00	
		38,229 50
PUBLIC INSTITUTIONS REVENUE:—		
Toronto Lunatic Asylum	\$30,325 63	
London “	12,674 94	
Hamilton “	4,456 74	
Kingston “	5,163 38	
Orillia “	1,792 93	
Mercer Reformatory	4,038 93	
Boys’ “	796 75	
Central Prison	29,620 74	
Institute for Deaf and Dumb	350 00	
		89,220 09

CASUAL REVENUE:—

Secretary and Registrar's Office	\$7,014 15	
Fines	2,735 16	
Insurance Companies' Fees	390 00	
Surrogate Court Fees.....	1,034 00	
Division "	5,866 20	
Gazette	6,728 00	
Private Bills	1,967 15	
Statutes	573 40	
Incidentals	17 95	
Forfeited cheque (New Parliament Buildings)	8,000 00	
		34,326 01
INSURANCE COMPANIES' ASSESSMENTS	2,999 94	
REMOVAL OF PATIENTS "	5,246 88	
		8,246 82

PUBLIC BUILDINGS:—

Lock-up, Rat Portage, <i>re</i> Sale of Land.....	\$190 00	
Central Prison <i>re</i> Fire Insurance.....	5,604 04	
Normal School, Ottawa, <i>re</i> Fire Insurance.....	330 46	
Hamilton Lunatic Asylum <i>re</i> Fire Insurance	15,673 61	
		21,798 11
DRAINAGE WORKS ASSESSMENTS.....		18,523 17
		\$2,843,632 32

NEW PARLIAMENT BUILDINGS' FUND—SALE OF LAND....	\$15,716 67	
TORONTO MECHANICS' INSTITUTE BUILDING— <i>re</i> MORTGAGE	5,816 73	
MIMICO LOTS— <i>re</i> MORTGAGE.....	148 75	
		21,682 15
DRAINAGE DEBENTURES.		40,752 37
TILE DRAINAGE DEBENTURES		3,770 60
ANNUITIES.....		238,842 57
		\$3,148,660 01

Our subsidy and specific grant are the same as for the last two years and the same as the estimate, \$1,196,872.80. The interest upon capital held and upon debts due by the Dominion to Ontario is, as before, \$279,111.10. The amount of interest on investments received last year was \$55,893.63. We only estimated \$40,000. The Crown Lands receipts were \$814,813.28. We only estimated last year \$700,000, but I am happy to say that the Commissioner has collected and paid into the Treasury the larger amount, the excess being \$114,813.28. Of this I may say \$147,471 is balance of proceeds of timber sale in 1885, leaving \$667,342 as ordinary receipts. These receipts have been swelled partly by the improvement in the lumber trade in the past year, and I am sure

the House will be glad to see that that industry is showing signs of improvement. Then again from Algoma taxes we have received \$13,143.40. Our estimate was only \$4,000, but at the time the estimate was made the bill passed last session had not gone through the House, and therefore I did not take into account the increased receipts that might be obtained by the operation of that enactment. It will be recollected that that bill allowed fifty per cent. discount to holders of lands in Algoma who were in arrears, if paid before the first December, and I am glad to say that the inducement held out for prompt payment has resulted in the increased receipts I have mentioned. From law stamps our receipts were \$62,291.65. Our estimate was \$67,000. We have received \$5,000 less than we expected, but the receipts from this source for last year have been extraordinarily low. For the year 1884 the receipts were \$66,599; for 1885 they were \$66,988; we therefore felt justified in placing them in our estimate at \$67,000. From licenses we have received \$211,162.76. Our estimate of the receipts from that source was only \$200,000. It will be recollected that we anticipated from the increase of license fees which we had made, a reduction of the number of licenses, and we threw off a certain percentage from what might be the increased receipts under the scale we had adopted, making what was thought a fair allowance for the smaller number of licenses which it was thought would be issued under the increased scale of fees. It may be interesting to the House to know how that increase of license fees affected the number of licenses. I will give them under the different heads of Tavern, Shop and Wholesale. In 1884-85 :

Tavern	1,548
Shop	402
Wholesale	27
Total	<u>1,977</u>

In 1885-86 under the operations of the increase that was made in the fee by the Act of 1885, the number was :—

Tavern	1,524
Shop.....	378
Wholesale	24
Total	<u>1,926</u>

So that in 1885-86 there were in all 51 less than in the previous year.

In 1886-87 the licenses issued were :—

Tavern	1,504
Shop.....	336
Wholesale	26
Total	<u>1,866</u>

Or under the further increase in the fees by the Act of 1886, a reduction of sixty as compared with the previous year.

It will be seen that the reduction in number was not so large as was anticipated, and therefore the revenue is larger than was estimated under that head. Then from the Education Department we have received \$38,229.50, as compared with an estimate of \$31,000, being an excess of \$7,229.50 over our estimate. The larger part of that increase is from receipts from superannuated teachers. You will find under the same head that there is a slight excess of expenditure in the Education Department, owing to larger payments, but it will be seen we have also larger receipts in connection with that Branch. For Public Institutions our estimates and receipts almost agree. The estimated receipts were \$90,100, and our receipts have been \$89,220.09, or \$879.91 less than the estimate. It is not necessary to refer to the minor variations between the estimates and the actual receipts. The principal one is that coming under the head of Central Prison. From this institution we estimated that we should receive \$35,000, and we have received only \$29,620.74, or \$5,379.26 less than we expected. This falling off mainly arises from the fact that a considerable portion of the brick made in the Central Prison last year were not sold, but were retained for use in the construction of the new Parliament buildings. Under the head of Casual Revenue we have received \$34,326.01, against an estimate of \$32,000. Included in this amount is an item of \$8,000 for a forfeited cheque from the contractors in connection with the new Parliament buildings. The ordinary receipts have been only \$26,326, or less than the average for the last five years. Then from Insurance Companies we have received \$2,999.94, as compared with an estimate of \$3,000, assessed against the Companies to pay the cost of inspection, and we have received \$5,246 for the removal of patients, making a total of \$8,246.82. We have, therefore, as our total receipts from ordinary revenue \$2,821,834, as compared with our estimates of \$2,720,975, the receipts having exceeded our estimates by the sum of

\$100,859. Then there are some exceptional receipts not estimated for, which are, however, fairly to be classed as ordinary receipts, because they occur in connection with matters which involve expenditure which is charged against ordinary revenue. These are receipts on account of fires, viz.: The Central Prison fire, the Normal School fire, and the Hamilton Lunatic Asylum fire, being respectively \$5,604.04, \$330.46 and \$15,673.61. There is also an item of \$190 for sale of lock-up land at Rat Portage, the whole amount received from these sources being \$21,798.11. There is also \$18,523.17 received from Drainage Works Assessments; therefore, including these exceptional receipts which I class as ordinary receipts, because of the corresponding expenditures imposed on the Government, our total receipts have been \$2,843,632.32, as against estimated receipts of \$2,720,975, an excess of receipts over estimates of \$122,657.32. You will find some further exceptional receipts under the head of "New Parliament Buildings Fund—sale of land," \$15,716.67. This money is derived from the sale of a part of the land set apart by statute in 1880 to provide for the erection of Parliamentary Buildings. The land was laid out in three blocks, of from fifteen to twenty acres, and tenders asked for the purchase of the same. There were several tenders received, but only one accepted. That was for the westerly portion of fifteen acres, and the prices accepted for it was \$4,100 per acre. The \$15,716.67 is the cash payment, being a quarter of the whole amount. The other tenders were not accepted because they were considered to be below the market value of the land. The rejection of these tenders has been justified by offers received, informally and privately, since the refusal of the tenders, which are at least 50 per cent. in advance of the said tenders. I am satisfied that from the offers we have received we will, when the whole eighty acres are disposed of, realize nearly double what it was estimated in 1880 that the land would bring. It was estimated then by the Commissioner of Public Works that the land would average \$2,000 per acre, but we have sold part of it at \$4,100, and I am satisfied that the remainder will realize at least \$3,000 per acre, if not considerably over that figure. Therefore, although the amount of the original estimate of the cost of the new Parliamentary buildings will be exceeded, we will at least get a larger amount for the land set apart than was originally expected. (Hear, hear.)

Hon. Mr. Ross.—Then there are the receipts connected with our investments, the increase or reduction of which affects our assets. These receipts are:—Toronto Mechanics' Institute mortgage, \$5,816.73 ; Mimico lots mortgage, \$148.75 ; drainage debentures, \$40,752.37, and tile drainage debentures, \$3,750.60.

Lastly, there is an item of receipts in regard to annuities, amounting to \$238,842.57, being merely renewals of our present outstanding certificates. During the year railway certificates to the amount of \$247,982 were falling due, and for the purpose of meeting these, tenders were issued for annuities to the extent of \$12,300 annually. The tenders accepted were—one from the Northern Assurance Company of England for \$11,700, at a present price of \$1,925 per \$100 of annuity ; and also one from Miss Weir, of our own Province, for \$600, at the present price of \$1,961 for \$100 of annuity. The price received in 1885 was \$1,918, and our present average of the two offers is \$1,926, or at a rate of interest about four and twenty-two hundredths per cent., being somewhat less than four and a quarter. At four and a quarter the present cash payment would amount to \$1,915.37, while the amount we have received is \$1,926.75. It will be seen that each successive sale has been better than that of the year preceding, and I have no doubt, Mr. Speaker, if we are placing more of them on the market this year that, unless some disturbing element interferes, we are likely to realize upon a basis of perhaps not more than four per cent. It may be said that this is a higher rate than the rate paid by the Dominion Government for Dominion Bonds, but when you take into consideration the difference in contingent charges between our issue and that of the Dominion Government you will find, I think, that the rate we are selling at is really better than that of the Dominion Government. As pointed out on a previous occasion, the Dominion issues are payable in England, and are liable to a number of charges and commissions incident to making them payable there. I have here the statement made by the Finance Minister in the last Session of the Dominion Parliament in reply to the criticisms of those who found fault with the large amount paid by the Dominion Government to Savings Banks, viz. : four per cent. It was claimed that the amount so paid was larger than the Government were entitled to pay, because it was more than the Dominion was able to borrow for, and in reply to objections made as to the interest on Savings Banks deposits, Mr. McLelan said:—

"I have had a statement prepared showing the rates of interest we are paying upon loans we have effected since 1874, and although the nominal rate is four per cent., yet when we take into account the charges made by the agents in London and the discount upon these loans, it appears we are actually paying for the money we have obtained in England and abroad a higher rate of interest than we are paying to our depositors in the Savings Bank."

"An actuarial calculation shews that, including charges, the rate which the Government pays upon these loans is nearly four and one-third per cent."

Our rate, therefore, is more than one-twelfth less than that of the Dominion Government; as the rate at which we sold our last annuities is less than four and a quarter. (Hear, hear.)

Now coming to the question of expenditure, I will read what our expenditures were, and make some comparisons with the expenditure of former years.

EXPENDITURE, 1886.

Civil Government.....	\$183,049 56
Legislation	115,612 22
Administering Justice	346,641 16
Education ..	568,112 13
Public Institutions Maintenance.....	609,228 66
Immigration	16,837 40
Agriculture	123,259 68
Hospitals	103,416 19
Repairs, etc.	57,650 91
Public Buildings	227,893 19
Public Works	51,763 07
Colonization Roads.....	145,213 80
Crown Lands	91,092 98
Refunds	24,214 58
Colonial Exhibition	11,730 58
Statute Consolidation.....	17,666 37
Miscellaneous	74,596 34
	<hr/>
	\$2,769,978 82
Drainage Debentures.....	27,926 56
Railway Aid Certificates	247,982 14
Annuity " ..	33,550 00
Stationery Office—Excess of purchases .	259 31
Municipal Loan Fund	377 51
New Parliament Buildings	8,119 44
Land Improvement Fund (Special).....	93,062 84
Tree planting	452 38
	<hr/>
	\$3,181,709 00

For civil government the House voted us \$188,194, and the expenditure has been \$183,049, leaving an unexpended balance of \$5,144. In 1885 the expenditure under this head was \$184,254, or \$1,105 more than last year. In legislation our expenditure has been \$115,612, as compared with an estimate of \$129,100, leaving an unexpended balance of \$13,488. In 1885 the expenditure for legislation was \$125,762, so that last year's expenditure was \$10,150 less than that of the preceding year. The saving has been effected mainly in stationery, printing and binding, the estimate for which was \$32,000, while the expenditure was but \$19,452, leaving a balance of \$13,548. This reduction in expenditure is partly due to the limitation of reports by the Printing Committee. In the administration of justice we have expended \$346,641, and you voted for that department the sum of \$372,629, so that there remained unexpended a balance of \$25,988. In 1885 the expenditure amounted to \$354,923, or about \$8,000 more than last year. The saving has principally been effected in the items of Crown Counsel, Criminal Justice, and Constitutional questions. In regard to the first item the expenditure was \$10,777, as against an estimate of \$13,223, so that there was a balance of \$2,450; the expenditure for the same item in 1885 being \$11,180. For Criminal Justice you voted \$153,800, of which we have expended \$145,796, leaving a balance of \$8,003, the amount expended in 1885 for this purpose being \$151,757. If the theory suggested last year that our expenditure on Criminal Justice is an index of the commercial prosperity or depression of the Province, then the reduction in the amount expended in 1886, as compared with 1885, may, I hope, be taken as an indication that the severe depression under which the Province has labored for the last two years, is now passing away, and an era of greater prosperity being introduced. (Applause). For Constitutional questions our expenditure has been \$3,305, against an estimate of \$12,000, leaving a balance unexpended of \$8,695. For these Constitutional questions an estimate of expenditure must of necessity be an uncertain quantity. Our expenditure is to a large extent, nay, almost entirely, dependent on the action of the Dominion Government, because the bulk of our expenditure for these purposes has been for the purpose of defending ourselves against attacks coming from that quarter. (Hear, hear.)

In the Department of Education, the items of expenditure almost exactly approximate the amounts voted. The total expenditure was

\$568,112, and the estimate \$567,544, or \$568 higher than the estimate. The only items worth mentioning are those of the Mechanics' Institutes and superannuated teachers, which are respectively \$1,502 and \$3,788 in excess of receipts. I referred before, in speaking of the receipts, to the fact that we had received increased receipts from the latter source, and that we had a small increase of expenditure also, but not up to the increase in receipts. It may be noticed by honorable gentlemen that the expenditure for the Department of Education is \$34,000 in excess of what it was in 1885. That arises from the fact that the item of the Mechanics' Institutes was formerly included under the head of Agriculture and Arts, and is now included in the Department of Education.

In the Maintenance of Public Institutions we have expended \$609,228, as against an estimate of \$637,179, leaving an unexpended balance of \$27,951. The expenditure for the maintenance of Public Institutions in 1885 was \$613,570, or \$4,342 more than in the year now ended—a very unusual circumstance in connection with that expenditure, which has been increasing gradually year after year. The reduction is mainly owing to the decrease in cost of the supplies at the Insane Asylums, other institutions remaining about stationary.

Then, as to Immigration. You voted us \$18,800 for this department, of which we have expended \$16,837, or an amount within the vote by \$1,963.

In the Department of Agriculture and Statistics our estimate was \$133,705, and our expenditure has been \$125,260, or we have an unexpended balance there of \$8,445. The expenditure for this department for 1885 was \$159,576.45, these figures including \$33,546.37 devoted to Mechanics' Institutes, which, as I have pointed out, are now classed under the head of Education. In connection with the Agricultural College under this head, I would mention that the expenditure, both as to the College and as to the Farm, has been less than the estimate. Let me refer here to the operation of our Creamery at the Agricultural College during the past season. In 1885, as I explained on a former occasion, our plan of operation was to take the prices quoted for farmer's butter in Toronto and give that amount to our patrons for cream sufficient to make a pound of butter at their own homes. On that basis we carried on the creamery in 1885 without loss. In 1886 we adopted a different plan. We

guaranteed our patrons fourteen cents for cream sufficient to make a pound of butter. In September and October we gave them fifteen cents, with an agreement that the creamery should be carried on with the greatest possible economy and that any surplus should be divided among our patrons. An examination of the expenditure and receipts, as shown in the Public Accounts, shows that we have received \$155.81 more than we expended. But we have a very considerable quantity of butter unsold on hand, which will bring up the receipts to an amount sufficient to enable us to distribute \$600 surplus among our patrons, beyond the amount already paid to them. I do not know of any portion of my statement that will be more interesting to the farmers than this satisfactory illustration of the operations of the creamery, and I hope that it will stimulate them to go more largely into this co-operative system of making butter, from which alone can we expect any material or lasting improvement in that industry. (Applause.) In the item of Repairs and Maintenance, we have expended \$890 over the estimate. The expenditure was \$57,650 and the estimate \$56,760. In the item of Public Buildings we made an estimate of \$317,340, and we have expended \$227,893, leaving a residue of \$89,447. This is made up mainly of unexpended amounts in connection with the Hamilton Asylum and the Orillia Asylum for buildings, for which a re-vote will be asked during the present session. In the item of Public Works we have expended \$51,763, which is \$20,700 less than the estimate. Re-votes will be asked for several of the items of this unexpended balance. Under the head of Colonization Roads we have expended \$145,213, which is \$15,263 more than the estimate of \$129,950. This account is the only one in which there has been any important over-expenditure. I suppose that advantage will be taken of that circumstance by our friends opposite to renew the discussion upon the old lines in regard to the expenditure on Colonization Roads, but I will leave any criticisms on that point to be answered by the Commissioner of Crown Lands. I will merely say that the subject was discussed at meetings mainly composed of farmers during the late contest, and that they never failed to respond heartily and cordially to the declaration that the Government felt bound to deal generously with these early settlers in new counties, and to assist them in the trials and privations to which they were exposed. I say I never found an audience but responded cheerfully and heartily to the statement that it was the Government's duty to assist

these people struggling in that new country. (Applause.) Nor must we forget that a large portion of our revenue is derived from those territories; that our revenue from woods and forests is mainly derived from the localities in which the expenditure on Colonization Roads is incurred. (Applause.) Then in connection with the Crown Lands expenditure we took an estimate of \$102,315 and we expended only \$91,093, leaving a balance of \$11,222. Our estimate for refunds was \$28,172; we expended only \$24,214, leaving a balance of \$3,958. For the Colonial and Indian Exhibition we asked \$13,000 and expended \$11,730, so that we have as the unexpended balance \$1,270. Of the estimate \$9,000 was asked for an Educational exhibit, and the expenditure of \$9,308.93 has been a little in excess of that. For the Dairy and Grain exhibit we asked \$3,000, while the expenditure was only \$1,421, leaving an unexpended balance of \$1,579. When we asked for this appropriation of \$13,000 it was in consequence of a request on the part of the Dominion Government that the Province of Ontario should undertake an Educational exhibit at the Colonial and Indian Exhibition. We expressed our desire to co-operate in any manner we could in order to make the Exhibition a success and to have the Province represented in a creditable way. All that they desired was that we should make this Educational exhibit; that was agreed to, and the Minister of Education undertook the charge. The exhibit has reflected credit on the Province, and has fully illustrated the advanced position that Ontario occupies in educational science in all its branches. Subsequently the Dairy Associations expressed their wish that this industry should be represented. They approached the Dominion Government, who transferred the request to us. We agreed to take it up, and with the able assistance of the Dairymen's Association we made an exhibit in this line that I think has not been equalled or even approached by any other Province or Colony of the Empire. (Applause.) For that success we are much indebted to the valuable and gratuitous assistance of the Member for South Perth, the President of the Dairymen's Association for Western Ontario, and of his colleague Mr. Macpherson, the President of the Eastern Association, and the committees associated with them. (Applause.) It was true that there was some disappointment at the non-arrival of our exhibit in time for the opening of the Exhibition. For that default not the slightest blame attaches to

those gentlemen or to the Department. The cheese was shipped in ample time, and the default was wholly due to the defective arrangements for sea transport made by the Dominion Government. Moreover, although the delay, and the refusal of space after the exhibit arrived, were annoying and very disappointing, yet I believe our exhibit in the fall was really enhanced in value, was better, and attracted more notice than if it had been placed in the Exhibition at the opening. The net cost of that important exhibit was only \$1,313; in fact we almost made it self-sustaining. The next item is that of Statute Consolidation. The estimate was \$40,000, and we have expended only \$17,666. A refund will be asked for the unexpended balance. Under the head of "Miscellaneous," our estimated expenditure, apart from the \$50,000 for Unforeseen and Unprovided, was \$68,433. The actual expenditure, apart from unforeseen and unprovided, was \$66,709, leaving an unexpended balance of \$1,722. The total expenditure, including unforeseen and unprovided, was \$74,596. We have, including the items charged to unforeseen and unprovided, an unexpended balance of \$16,388. Our expenditure under that head was only \$33,611. This statement, I know, will be gratifying to the member for North Grey, whose delight it has been to criticise the expenditure under that head. Taking it altogether, our expenditure, under the Supply Bill, has been \$2,769,978. Our estimate under the Supply Bill was \$3,029,216, so that as compared with our estimates under the Supply Bill, we have an unexpended balance of the amount voted of no less than \$259,238. Then, taking the ordinary receipts and the ordinary expenditures and, comparing those, our ordinary receipts being \$2,843,632, and our ordinary expenditures \$2,769,978; we have a surplus of ordinary receipts over ordinary expenditures of \$73,653. (Applause.) But we have also certain exceptional expenditures as we have certain exceptional receipts. These exceptional expenditures are as follows:—Drainage debentures, \$27,926.56; railway aid certificates, \$247,982.14; annuity certificates, \$33,550; stationery office—excess of purchases, \$259.31; municipal loan fund, \$377.51; new Parliament buildings, \$8,119.44; land improvement fund (special), \$93,062.84; tree planting, \$452.38. I may say with regard to this last item, that this is the first year that such an expenditure has appeared in the Public Accounts, because it was not until after three years that the fund set apart under the Act could be drawn upon. Altogether,

therefore, the expenditure under the Supply Bill and the outside expenditure amounted to \$3,181,709, while the total receipts were \$3,148,660, so that we have only over-expended on the whole \$33,049 in the year. Had it not been for the extraordinary expenditure of \$93,000 paid to the municipalities for the land improvement fund we should have had a surplus of over \$50,000 to the good from the total receipts and total expenditure.

I now come to the statement of our assets and liabilities.

ASSETS OF THE PROVINCE.

1. DIRECT INVESTMENTS :

Dominion 6 per cent. Bonds.....	\$500,000 00	
Market value over par value.....	45,000 00	
	<hr/>	\$545,000 00
Drainage 5 per cent. Debentures, invested		
31st December, 1885	\$212,215 04	
Tile drainage 5 per cent. Debentures, in-		
vested 31st December, 1885	44,299 70	
Overdue interest on above.....	1,997 81	
Drainage works—Municipal Assessments..	242,177 31	
	<hr/>	500,689 86
	<hr/>	\$1,045,689 86

2. CAPITAL HELD AND DEBTS DUE BY THE DOMINION TO ONTARIO, BEARING INTEREST :

U. C. Grammar School Fund (2 Vict. cap. 10).....	\$312,769 04	
U. C. Building Fund (18 section, Act 1854).....	1,472,391 41	
Land Improvement Fund (See Award).....	124,685 18	
Common School Fund (Consolidated Statutes, cap. 26)—		
proceeds realised to 1st July, 1867, \$1,520,959.24		
after deducting Land Improvement Fund portion		
belonging to Ontario	891,201 74	
Capital declared owing to the late Province of Canada		
by Dominion Act (47 Vic. cap. 4)—\$5,397,503.13,		
bearing interest at 5 per cent. Ontario's proportion		
on basis of Award as advised by Financial Depart-		
ment	2,848,289 52	
Ontario's Share of Library (see Award)	105,541 00	
	<hr/>	\$5,754,877 89

3. OTHER DEBTS DUE TO THE PROVINCE :

Balance <i>re</i> Municipal Loan Fund Debts.....	\$49,891 32	
Balance <i>re</i> Mortgage on Land at Orillia Asylum.....	1,500 00	
Balance <i>re</i> Mimico Lots.....	5,651 93	
Balance due by Agricultural and Arts Association <i>re</i>		
Agricultural Hall	2,000 00	
	<hr/>	59,043 25

4. BANK BALANCES :

Current accounts	\$107,549 41	
Special deposits.....	87,295 42	
	<hr/>	194,845 83
Total.....		<hr/> \$7,054,456 83

LIABILITIES OF THE PROVINCE AT PRESENT PAYABLE.

1. Balance due to Municipalities <i>re</i> Surplus Distribution.....		\$1,468 46
2. Balance due to Municipalities <i>re</i> Land Improvement		
Fund, (balance of \$124,685.18, see Award).....	\$1,720 31	
Balance due for Interest on above.....	2,240 79	
	<hr/>	\$3,961 10
3. Quebec's Share of Common School Fund made up as follows :		
Collections on account of Lands sold between 14th June,		
1853, and 6th March, 1861.....	\$868,266 15	
Less 6 per cent. cost of Management	\$52,095 97	
Less one-quarter for Land Improvement		
Fund	217,066 54	
	<hr/>	269,162 51
		<hr/>
		\$599,103 64
Collections on sales made since 6th March,		
1861	\$309,927 89	
Less 6 per cent., cost of Management ...	18,595 67	
	<hr/>	\$291,332 22
		<hr/>
		\$890,435 86
Quebec's proportion according to population of 1881.....		\$368,687 49
		<hr/>
Total		\$374,117 05
Surplus of Assets after deducting Liabilities presently payable.....		\$6,680,339 78

Taking the item of bank balances, we had at the close of 1885 \$227,894 in the bank. We have now \$194,845, a difference of \$33,049, which represents the difference between our total receipts and our total expenditures. There are several other items, to which I need not refer. The result is that, after reciting the different items which we have placed to our credit, and deducting the liabilities, we have a surplus of assets over liabilities presently payable of \$6,680,339. (Applause.) Our surplus, therefore, by the operations of last year, has been trenched upon only to the extent of \$85,751. I might here perhaps refer to the question of

the settlement of our accounts with the Dominion. I am sorry that I have again to make the statement, which has now almost become chronic, that since the last meeting of the House practically no progress has been made in that settlement. The responsibility for that delay does not rest with the Ontario Government. The Dominion Parliament, as you are aware, did not prorogue until the beginning of last June. I at once wrote to Mr. Courtney, the Deputy Minister of Finance, proposing a meeting as early as possible. I received a reply stating that in consequence of ill health he was leaving for a sea voyage, and would not return until October, and that until then nothing could be done. On the 28th October I was informed that the Finance Minister would meet myself and the Treasurer of the Province of Quebec, for the purpose of endeavoring to make some progress in the settlement. I immediately replied, agreeing to the meeting, and I also wrote to the Treasurer of Quebec, asking him to set apart a time. I received a reply from the Treasurer of Quebec stating that it was impossible for him to meet us for that purpose, and that he could not fix a date—in fact they were then in the throes of a general election, and it would have been unreasonable to expect them to devote any time to this purpose. Soon afterwards there came the general elections for the Dominion and the meeting of our own House, and therefore no progress has been made. We have, however, since then received some additional information. I informed the House last year that owing to the Act of 1884, by which the Province was to be relieved from the interest upon the surplus debt assumed by the Dominion under the Act of 1883, it had been arranged that a re-cast of these accounts should be made by Mr. Courtney, excluding the Indian claims, and giving the Province credit for the interest assumed under the Act of 1884. That re-cast has been received, and the members of the old House have received copies of it. But that re-cast is not upon the lines that were understood by the Treasurer of Quebec and myself. Our suggestion was, as the Act of 1873 was construed to cover both principal and interest, that the accounts with the Dominion as to the old Province of Canada should commence from that date. This would have been a material step in the direction of a settlement; because if that was assumed by the Dominion, we might accept without question all the items charged prior to that date. That was the understanding of both the Treasurer of Quebec and myself. But the re-cast has not been made

in accordance with that understanding. The re-cast is merely an abstract of the former accounts, putting the Indian claims in a suspense account, and crediting us with the amounts granted for interest by the Act of 1884. I object to that mode of dealing with that interest, because by this statement we are charged compound interest upon the sums charged to us as interest, while by the Act of 1884 only simple interest was allowed. That makes a very material difference. Those gentlemen who may have received copies of the abstract will have noticed that the Province of Ontario is credited with \$2,848,289 granted to us for that interest for surplus debt by the Act of 1884. Now gentlemen opposite claimed, first, that we were not entitled to this amount, that we would not receive it, and that it was preposterous to ask for it ; and, secondly, after we did get it by the Act, that we had no right to place it among our assets, as only the interest would be paid to us, and that we would not get credit for the capital. I am glad to see, and those, I suppose, who have the real financial interests of the Province at heart will be glad to see also, that in the abstract we are credited directly with the capital granted by that Act. My contention, therefore, that we were entitled to treat that as capital due to us has been decided by this statement in our favor. The abstract gives Ontario a balance of \$4,175,276. That does not include the Common School fund, which is \$891,201. Adding these two sums together, the balance due to us, according to the Dominion statement, is \$5,066,477. We place it among our assets at \$5,754,877. I have no doubt that when a settlement is arrived at, the true balance will be somewhere between those two amounts. This, perhaps, may set at rest the denial that we have no surplus beyond cash in the banks ; for we have, according to the Dominion statement, a balance in their hands of upwards of five million dollars for which they are paying us interest. Now, perhaps, in connection with that, it might be well that I should refer for a moment to a matter which I brought before the House in 1885. In my financial statement of that year I referred to the action of the Dominion Government in assuming our railways, and the injustice done by the Act of 1884, granting the Province of Quebec \$2,396,000 as a return for their municipal aid to railways, while Ontario was refused a dollar of return of any amount we had expended. I pointed out then that the substitution of Dominion for Provincial control had

transferred to the Dominion the obligation to aid such roads; that by their assumption of the roads they had virtually locked the doors of the Provincial Treasury. Having declared by their acts that these roads were not of local importance merely, but were for the benefit of the whole Dominion, it followed that it was the duty of the Dominion to provide the aid necessary to secure their construction. My remarks then were immediately directed to the injustice that had been done Ontario in connection with that grant to Quebec and the refusal to Ontario. My present purpose is to point out how this system works to our disadvantage. Under the old system under which each Province constructed its own lines by Provincial and municipal aid, Ontario, more progressive than the other Provinces, had largely met the requirements of the different localities. By liberal Provincial and municipal aid we have supplied nearly all the different points with railway facilities. Other Provinces had not done so much. What would then be the effect of transferring the responsibility from the Provinces to the Dominion, and hereafter constructing these roads out of the general revenues of the confederation? Is it not that the Province that has built its own roads by its own money will be forced to contribute to the general revenues of the Dominion and so to the building of the roads in other Provinces? It might be well to inquire into the operation of the system. I have here taken from the Railway Acts of the Dominion their statement of the aid given by the Dominion to local roads.

Mr. MEREDITH.—Grants given or only promised?

Hon. A. M. ROSS.—Grants made by statute.

Mr. MEREDITH.—To roads actual or projected?

Hon. A. M. ROSS.—Mainly projected roads, but roads which have so commended themselves to the Dominion Government that they have passed an Act voting these sums to the different roads. In 1882 the grants for local roads by the Dominion were \$1,448,000, of which Ontario got \$600,000, Quebec \$504,000, Nova Scotia \$224,000 and New Brunswick \$120,000. I may say that some of these roads are interprovincial, and owing to the difficulty of exactly apportioning those grants which are for roads running from one Province into another, I do not commit myself to the perfect accuracy of the figures given, but believe they are very nearly accurate. In 1883 the sum of \$2,638,400 was voted for those rail-

way grants. Of this Ontario got \$749,600, Quebec \$876,800, Nova Scotia \$256,000 and New Brunswick \$756,000. The year 1884 was that in which the greatest appropriations were made. The total was \$9,074,000. Of this Ontario only got \$772,800, Quebec \$6,068,200, Nova Scotia \$514,000 and New Brunswick \$1,719,000. In 1885 a further scheme of railway subsidy was submitted amounting to \$4,214,700. Of this Ontario got only \$329,300, Quebec \$2,133,000, Nova Scotia \$1,225,000 and New Brunswick \$527,400. In 1886 again another scheme was brought down involving subsidies to the extent of \$2,687,265, of which Ontario got \$834,300, Quebec \$1,223,565, Nova Scotia \$275,200 and New Brunswick \$354,200. Or, taking the five years in which this scheme has been in operation, the grants made under statute to local roads by the Dominion were \$20,062,365. Of this sum Ontario received only \$3,286,000, Quebec \$10,805,565, Nova Scotia \$2,494,200 and New Brunswick \$3,476,600.

RAILWAY GRANTS.

YEAR.	Ontario.	Quebec.	Nova Scotia.	N. Brunswick.	TOTAL.
1882.....	\$600,000	\$500,000	\$224,000	\$120,000	\$1,448,000
1883.....	749,600	876,800	256,000	756,000	2,638,800
1884.....	772,800	6,068,200	514,000	1,719,000	9,074,000
1885.....	329,300	2,133,000	1,225,000	527,400	4,214,300
1886.....	834,300	1,223,565	275,200	354,200	2,687,265
	3,286,000	10,805,565	2,494,200	3,476,600	20,062,363

It is admitted that Ontario contributes at least one-half to the whole revenues of the Dominion. If we had received grants in proportion to our contribution, we should have got out of these twenty millions something like ten millions of dollars for local roads in Ontario. Instead of that we got only three millions. If the division were made on the basis of population, Ontario ought to have got out of the twenty millions upwards of nine millions. This shows that Ontario is the milch cow that is providing the support for the enterprises

of the other Provinces. And it is working out, as we might have expected, that Ontario, having been more progressive and done more in the way of building railways than the other Provinces, is now contributing to build the railways of those Provinces.

I now come to the estimated receipts for the present year.

ESTIMATED RECEIPTS, 1887.

SUBSIDY	\$1,196,872 80	
INTEREST ON CAPITAL HELD AND DEBTS DUE BY THE DOMINION TO ONTARIO	\$279,111 10	
INTEREST ON INVESTMENTS	40,000 00	319,111 10
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CROWN LANDS DEPARTMENT :—		
Crown Lands	\$55,000 00	
Clergy Lands	8,000 00	
Common School Lands	17,000 00	
Grammar School Lands	3,000 00	
Woods and Forests	675,000 00	758,000 00
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PUBLIC INSTITUTIONS :—		
Toronto Lunatic Asylum	\$32,000 00	
London “	10,000 00	
Kingston “	4,700 00	
Hamilton “	5,000 00	
Orillia “	1,600 00	
Reformatory for Females	4,000 00	
“ Boys	600 00	
Central Prison	40,000 00	
Deaf and Dumb Institute	350 00	98,250 00
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EDUCATION DEPARTMENT	\$37,000 00	
“ (SCHOOL OF PRACTICAL SCIENCE)	1,000 00	38,000 00
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CASUAL REVENUE		30,000 00
LICENSES		192,000 00
LAW STAMPS		65,000 00
ALGOMA TAXES		10,000 00
DRAINAGE ASSESSMENT		20,000 00
MUNICIPAL LOAN FUND		49,891 32
INSURANCE COMPANIES' ASSESSMENTS		3,000 00
ASSESSMENT OF COUNTIES <i>re</i> REMOVAL OF LUNATICS		6,000 00
AGRICULTURE AND ARTS ASSOCIATION <i>re</i> AGRICULTURAL HALL		2,000 00
<hr/>		
Total	\$2,788,125 22	
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Our subsidy, of course, we expect will be the same as last year, \$1,196,-872.80. The interest on capital held and debts due by the Dominion to

Ontario we expect will be the same as before, \$279,111.10. The interest on investments we anticipate will be \$40,000. As I mentioned, our receipts last year were \$55,000, but as it seems likely that the construction of the Parliament buildings will to some extent trench upon our assets, I have thought best to reduce our estimate of receipts from that source. From Crown Lands we anticipate receipts of \$55,000. Our receipts last year were \$55,482. From Clergy Lands we expect to receive \$8,000 ; our receipts last year were \$8,129. From Common School Lands we expect \$17,000 ; our receipts last year were \$17,997. Grammar School Lands we anticipate will yield \$3,000 ; our receipts from this source last year having been \$3,235. From Woods and Forests we look for a revenue of \$675,000, the receipts from this branch last year having been \$729,998. Altogether we estimate our receipts from Crown Lands at \$758,000. As I mentioned, \$147,000 of last year's receipts were from the sale of timber in 1885. We have yet some \$30,000 to collect in connection with sales of that year, and as a reason why we perhaps expect something more from Woods and Forests than we received from the sales of last year, as I have before remarked, the lumber interest is in a rather prosperous condition and the cut of logs is expected to be larger this winter than last. Therefore the Commissioner felt himself justified in promising the \$758,000 placed in this estimate. From Public Institutions we expect \$98,250. We received last year \$89,220, but from the cause I mentioned, *i. e.*, the brick retained and on hand for the Parliament Buildings, we expect a larger revenue from the Central Prison than last year. The officers in connection with the institution justify me in saying that we may expect to receive the sum named in the estimate. From the Education Department we estimate \$38,000 ; last year the receipts were \$38,229. From Casual Revenue we expect \$30,000 ; our receipts last year were \$34,326. In placing it at \$30,000, I am placing it at less than the average for many years past. Under the head of licenses we look for receipts of \$192,000 ; our receipts last year were \$211,162, but by the action of the city of Toronto a large reduction in the number of licenses issued here will take place, which will reduce our revenue, as estimated, to the extent of \$16,000. In 1886 we also received about \$2,000 by the closing up of license accounts in some of those districts in which the Scott Act had been brought into force, which

sum we will not receive this year. Therefore we do not feel justified in estimating a larger sum than I have given. From law stamps we expect to receive \$65,000; our receipts last year were \$62,291, but they were lower than for several years past. For several years the average has been upwards of \$66,000, and we think we are within the mark in estimating \$65,000. From Algoma taxes we estimate \$10,000. One of the privileges of the bill I mentioned in connection with Algoma taxes passed in 1886, was that large holders of land, where the arrears of taxes amounted to \$1,000 or over, had the option of paying in two yearly instalments and were still entitled to the 50 per cent. reduction. One instalment was paid last year and the other instalment is to be paid this year. Then from Drainage Assessment we estimate to receive \$20,000; last year we received \$18,553. From the Municipal Loan Fund we expect \$49,891, the same amount as placed in the estimates last year, but not received. That amount comprises debts due by the City of St. Catharines and the Town of Cobourg. It will be recollected that we took power to compromise with these municipalities on the amounts due to this fund. We entered into an arrangement with Cobourg under which they would issue debentures for \$42,768, which was really the amount of the principal, we agreeing to throw off about \$40,000 that had accumulated in interest, and they were to issue new debentures at five per cent. for twenty years. A by-law to carry out that agreement was introduced into the Council and I believe it passed its second reading, but it was never completed, and that arrangement has not been carried out. The Province and the town therefore revert to their original positions, and I might have been justified perhaps in placing it in my estimates of my Receipts and also of Assets as of the full amount of debt and interest, but as the compromise has been made (and I hope it will be carried out), I have placed the estimate at the amount originally arranged for. From the Insurance Companies we have our usual amount of \$3,000. The assessment of counties is \$6,000 as usual. From the Agricultural and Arts Association *re* Agricultural Hall we estimate \$2,000. I may say that this amount was estimated for last year. Owing, however, to the bad weather and other unfavourable circumstances attending the annual exhibition at Guelph, the receipts were not what was anticipated and the association was not in a position to pay the amount. But I expect we will receive that sum this year.

Mr. MEREDITH.—I thought Mr. Jamieson owed that money.

Hon. A. M. Ross.—No; the arrangement with the Agricultural and Arts Association was that they were to pay the money in two annual instalments of \$2,000 each. They assigned also a claim against Mr. Jamieson for an amount said to be due by him. That balance is still unsettled, but whatever we receive will be in addition to the \$2,000 estimated. It is an uncertain quantity, and therefore I do not include it as an asset. The total estimated receipts are \$2,788,125.22. Our estimate of expenditure, as shown by the votes we are asking, is \$2,980,708. I need not refer to the particulars, as they will be fully discussed when in Committee. Supposing that our supplementary estimates amount to \$50,000, the total estimated expenditure will be \$3,030,708, to meet which we have \$2,789,125, leaving a balance unprovided for under the estimates of \$241,583. This, as will be seen by the last financial statement, corresponds almost exactly with the amount of deficiency we expected at the close of 1886. We last year estimated receipts of \$2,720,975, and we received \$2,843,632, an excess of \$122,657. Our estimated expenditure was \$3,029,000, and the actual expenditure was \$2,769,000, or we estimated more than we expended by \$269,000. We anticipated then an expenditure beyond our receipts or the main estimates of \$241,000, but instead of that, at the close of the year, we had a surplus of \$70,000 under the Supply Bill. The estimates of receipts and expenditures for 1887 will therefore anticipate an excess of \$241,000, to which we may add the annuity certificates that will be payable outside of the Supply Bill of \$39,700, which would make up our total charge on the Consolidated Revenue to be \$280,700 in excess of every anticipated receipt. I mentioned last year that we estimated our expenditures liberally and our receipts closely. Our figures showed an estimated excess of expenditure of about \$400,000. The actual result, however, was an over-expenditure on the total receipts of about \$33,000. This year we have followed the same course of liberal estimate of expenditure and close estimate of receipts. Our expenditure will be guarded with the same care, and I hope, if it is my good fortune to present another financial statement, I shall be able to congratulate the House upon as good a showing as we were able to make for 1886. We have taken every care to prevent extravagance. The best proof of that is the very small sums objected to when passing the estimates. It is, nevertheless, impossible to

prevent increases taking place as our population increases and the Province is developed. I have before called attention to that increased expenditure and said that it could not be met by a stationary revenue, and if we do not resort to some of the means I indicated last year of maintaining a balance between our receipts and expenditure it is because we fortunately have a surplus on which to draw for any temporary deficiency which may occur. I know that many honourable members, fresh from the hustings of a general election, have heard it stated on the platform repeatedly that we had no surplus, that it was a myth, a shadow without substance. I am pleased to say, however, it is of sufficient reality to enable us to cheque upon it to meet any occasional shortage of receipts as compared with expenditure, and for that purpose only is a surplus defensible, and I am glad to say it is tangible enough and sufficient to enable us to draw upon it for the small sum of probable expenditure over revenue for 1887, without affecting in any material degree its substantial proportions.

Mr. SPEAKER.—I move that you leave the Chair and that the House resolve itself into Committee of Supply.

SPEECH

1888

OF THE

HON. A. M. ROSS,

TREASURER OF THE PROVINCE OF ONTARIO,

DELIVERED ON THE 14th FEBRUARY, 1888.

IN THE

LEGISLATIVE ASSEMBLY OF ONTARIO,

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY.

TORONTO:

PRINTED BY WARWICK & SONS, 26 AND 28 FRONT STREET.

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FINANCIAL STATEMENT
OF THE
HON. A. M. ROSS.

LEGISLATIVE ASSEMBLY,

TORONTO, Tuesday, 14th February, 1888.

MR. SPEAKER :

In the presentation to the House by the Treasurer from year to year of the Financial Statement and Estimates, a settled order of procedure seems to have been adopted as the most appropriate and desirable under the circumstances, viz. : First laying before the House, what have been the receipts of the year, and comparing them with the estimated receipts of the previous year ; next reviewing the expenditure in the same manner, then presenting the balance sheet, or the position in which the Province finds itself at the close of the year, and finally giving to the House the proposed expenditure of the current year under the estimates, and also the means by which we propose to meet that expenditure. I shall follow on this occasion this settled order of procedure, and endeavour as briefly as possible to lay before the House a mere business statement of the financial operations of the past year and what our position is at the present time.

First then, I will take the receipts of the past year, and, in doing so, will make a few references as to the actual receipts as compared with what we estimated. By these means we are able to give to the public and to hon. members who do not wish to closely study the accounts themselves, a general idea of what the financial operations of the past year have been.

FINANCIAL STATEMENT OF

RECEIPTS, 1887.

SUBSIDY	\$1,116,872 80	
SPECIFIC GRANT	80,000 00	
		\$1,196,872 80
INTEREST ON CAPITAL HELD, AND DEBTS DUE BY THE DOMINION TO ONTARIO.....	\$279,111 10	
INTEREST ON INVESTMENTS.....	45,745 72	
		\$324,856 82
CROWN LANDS DEPARTMENT:—		
Crown Lands	\$72,193 20	
Clergy Lands.....	7,433 70	
Common School Lands.....	17,489 93	
Grammar School Lands.....	3,184 06	
Woods and Forests.....	990,855 43	
Casual Fees, etc.....	3,718 92	
In suspense	18,267 53	
		\$1,113,142 77
ALGOMA TAXES		15,247 60
LAW STAMPS.....		68,439 88
LICENSES		202,455 56
EDUCATION DEPARTMENT.....	\$22,072 59	
“ SCHOOL OF SCIENCE.....	2,735 00	
		24,807 59
PUBLIC INSTITUTIONS REVENUE:—		
Toronto Lunatic Asylum.....	\$35,253 28	
London “	7,549 19	
Hamilton “	2,116 55	
Kingston “	2,742 60	
Orillia “	1,843 30	
Mercer Reformatory.....	3,776 54	
Boys’ “	641 00	
Central Prison	29,919 38	
Institute for Deaf and Dumb.....	162 50	
		84,004 34
CASUAL REVENUE:—		
Secretary and Registrar’s Office.....	7,792 35	
Land Titles Office	3,322 25	
Fines	4,133 64	
Insurance Companies’ Fees.....	711 25	
Surrogate Court Fees.....	2,455 00	
Division “	5,247 84	
Gazette	7,755 78	
Private Bills.....	3,100 00	
Statutes... ..	474 75	
Incidentals.....	1,820 00	
Estreated Bail.....	450 00	
		37,262 86
INSURANCE COMPANIES’ ASSESSMENTS.....	2,966 51	
REMOVAL OF PATIENTS “	4,360 58	
		7,327 09
DRAINAGE WORKS ASSESSMENTS		23,794 37
MUNICIPAL LOAN FUND.....		25,000 00
ORDINARY RECEIPTS		\$3,123,211 68

DRAINAGE DEBENTURES	33,270 34
TILE DRAINAGE DEBENTURES	4,980 42
MIMICO LOTS— <i>re</i> MORTGAGE	200 00
ANNUITIES	242,626 92
NEW PARLIAMENT BUILDINGS' FUND—SALE OF LAND	122,211 57
SALE OF BONDS	320,423 60
	<hr/>
	\$3,846,924 53
	<hr/>

It will be seen that in the item of interest on investments we have received \$5,000 more than we anticipated. Our estimate of revenue from Crown Lands was \$758,000. We have received \$1,113,142. Now, this excess of receipts over and above what we anticipated, is due to the results of the timber sale held during the fall of the past year. For that sale we received \$399,958, which, deducted from the total amount of receipts, leaves \$713,184, as what you may call the ordinary receipts from Crown Lands which we estimated to receive last year. As I said before, we estimated to receive \$758,000 ; our actual receipts, exclusive of the sale, were \$713,000, or some \$44,000 less than we had anticipated. In connection with that sale, I may say that I believe the Commissioner of Crown Lands is to be congratulated upon the success which attended it, and I am sure that all honourable members, no matter upon which side of the House they may sit, will regret that the Commissioner is not here to receive their congratulations in person. There may be differences of opinion amongst members of the House as to the time when, and the terms upon which our timber lands should be placed on the market, but I think the success of the sale is the best evidence of the wisdom shewn by the Commissioner both as regards time and terms. I dare say this sale may prompt again the cry which we have heard here before, that we are living on our capital. Well, Mr. Speaker, I can hardly conceive that that childish and puerile contention can again be raised, that the receipts from timber or land sales ought not to be expended by the Government, either in services for the benefit of the people or in permanent works, but that we should, as was contended, set aside all our territorial revenue to be invested for the benefit of posterity. Indeed, I think I might ask in this connection a pertinent, but not original question, "What has posterity done for us?" (Cheers and laughter). And I think also it might not be out of place to ask the question, how it is, that those gentlemen who champion the rights of posterity on the opposite side of the House, object to our

making use of the ordinary territorial revenues of the Province for the people of to-day, and for the purposes of building institutions for posterity's use, and yet see nothing objectionable in their friends elsewhere, by extravagance and folly, heaping up hundreds of millions of debt and leaving posterity to pay for it. (Applause.) Next in our receipts comes the item of Algoma Taxes. We estimated \$10,000; we have received \$15,247. This is the result of the legislation which was passed by this House the year before last, making provision for collection of these taxes and offering inducements for prompt payment. We have received during the two years under the operations of that Act the sum of \$28,390, much more than we have received in any years formerly under the operation of the Act as it was before.

For licenses, it will be seen that we have received \$202,455.56 against an estimate of \$192,000. I may state that this excess of receipts over what we estimated, is accounted for by the fact that some unsettled licenses in some cities were held over from 1886, and came into the revenue of 1887. Then from the Education Department we have received \$24,807 against what we estimated at \$38,000. This falling off will be understood by referring to Statement Number 7 in the Public Accounts, where it gives Educational Revenue. It will be seen that there has been a small increase in the receipts from Model Schools and Departmental Examinations, but there has been a falling off under the head of Superannuated Teachers, from \$18,095 in 1886 to \$1,489 in 1887, while our total expenditure in pensions to Superannuated Teachers is \$58,295. The Act of 1885 will, no doubt, ultimately close this account, but in the meantime for a number of years, the Province will be saddled with an expenditure of some \$50,000 to \$60,000 a year, with very small receipts. It must be borne in mind that this is a legacy left to the Government by honourable gentlemen opposite and an irresponsible Superintendent of Education. The next item in our receipts is Public Institutions Revenue, from which we have received \$84,004.34 against an estimate of \$98,250. We are short of our estimate to the amount of \$14,246. It is almost impossible to estimate from year to year the receipts from institutions, as very frequently accounts covering several years against the estates of lunatics come in together, the receipts due for two or three years' maintenance being paid in a lump sum in one year. Then, from Municipal Loan Fund Debt we have received \$25,000. It will be recollected that in 1886 I stated that a settlement was then in progress

with the Town of Cobourg as to the unsettled balance due from that municipality, which had been in the accounts of the Province for the past thirteen years. I stated at that time that a proposition had been made and partially accepted to issue new debentures to the amount of \$42,768 running for twenty years. That proposition was not consummated owing to the refusal of the Town Council to pass the necessary By-law. They contended, looking at the financial condition of the town, that the settlement was more onerous than they were able to meet, and the matter was left in abeyance until the close of last year, when they made an offer to the Government of \$25,000 cash, in full settlement of their liability. The Government agreed to accept that \$25,000 subject to the approval of the Legislature, and it is now in the estimates of receipts for the current year.

Mr. MEREDITH.—Was it paid?

Hon. Mr. Ross.—The money was paid and is now at the credit of the Province in the Bank. I may say that we have also agreed to a settlement with the City of St. Catharines for an unsettled balance due from that municipality. We have agreed to accept new debentures for \$4,850 to run five years, payable in yearly instalments bearing five per cent. interest. I had hoped that I should have had these debentures in hand before I made my financial statement, but I have reason to believe that they will be here in a few days.

Mr. MEREDITH.—What was the amount of the debt?

Hon. Mr. Ross.—The amount of the debt was some \$6,000 or \$7,000, but the Council objected to interest being charged upon coupons, or interest on interest. The Attorney-General thought the point was well taken, that interest upon interest could not be collected; therefore, their objection was allowed, they agreeing to give \$4,850 in full settlement, which we have agreed to accept, subject to the approval of the Legislature. When that amount is received, we will then forever have closed, I hope, all matters in connection with the Municipal Loan Fund indebtedness. (Hear, hear).

We have, therefore, as the total of our actual ordinary receipts during last year, the sum of \$3,123,211.68 against an estimate of \$2,788,125, or we have received \$355,086 more than we estimated. This, of course, as I mentioned before, is accounted for by the receipts from the land sale, amounting to \$399,958. Deducting these receipts, however, it shews that, taking the estimate of receipts in my last statement and the amount we

have received, we have received \$64,872 less than we estimated. Then we have certain receipts outside of our ordinary receipts which are given in the statement. First, Drainage Debentures, which are merely a re-investment of moneys that have been paid in by municipalities to whom loans have already been made, and applicable to further loans out of the fund. With regard to the item of annuities, \$242,626.92, there accrued during the year Railway Certificates to the amount of \$247,982. In renewal of these Railway Certificates, annuities to the amount of \$12,500 annually were issued, and tenders invited for their purchase. The annuities were allotted to the highest tenderer, viz., The Northern Insurance Company of England, the same Company which bought those of the year before, and at the same figure, viz., at a rate less than $4\frac{1}{4}$ per cent., that is to say, we have received \$1,925 for each \$100 of annuity. Then the next item in our receipts is that of new Parliament Buildings Fund, sale of land, \$122,211.57. It will be recollected that last Session I informed the House that under authority of the Act of 1880, tenders had been asked for the sale of a portion of the Asylum land set apart for the erection of these buildings; that that portion had been divided into three lots, and tenders invited; that for one lot we had accepted a tender of \$4,100 per acre. The tenders for the other blocks were declined, because they were not considered fair value for the land. In May last we again invited tenders for these two blocks, and accepted the highest tenders, viz., for block "B," at the rate of \$3,100 per acre, and for block "C," at the rate of \$3,000 per acre, block "B" containing in round figures twelve acres, and block "C" twenty acres.

We also received from the Grand Trunk Railway, for a strip of land 100 feet wide, which was reserved for railway purposes, and for which they agreed to pay at the same rate as the highest tenderer, the sum of \$8,420, viz., for 2.75 acres.

Mr. MEREDITH.—Who bought the land?

Hon. Mr. ROSS.—Block "B" was bought by the same party who bought block "A" before, Mr. A. P. Lee, of Toronto. For block "C" the highest offer was that of the Land Security Company, and it was allotted to them. The terms of sale were one-fourth down, and the balance on mortgage for five years, bearing five per cent. I considered it advisable as a matter of policy, also because the money was required for the erection of Parliament Buildings, to dispose of these mortgages, and as I succeeded in selling them at par, the transaction practically amounts to a cash sale.

I thought it better that the Government should not be holding mortgages of that kind and dealing with individuals. Where payments for releases might be coming in at inconvenient periods, it would involve a good deal of difficulty, and I thought it much better that the mortgagors should deal with private parties rather than with the Government. These were my reasons for selling the mortgages, and my doing so, as I said before, was equivalent to a cash sale of the land. I may say that one of the mortgages was not closed at the end of the year, and does not therefore appear in the receipts of 1887, but it will come into the receipts of the present year. You will recollect that the land set apart was eighty acres. The value placed upon it was \$2,000 an acre in 1880 at the time the Act was passed. We have sold fifty acres at an average price of \$3,377 per acre. I may say that the balance of the land set apart will not be placed in the market for some years, because it is required for brick-making at the Central Prison, that being one of the industries most conveniently carried on there; and, besides, a large quantity is required for the Parliament Buildings.

I may say that the total expenditure in connection with the Parliament Buildings during the year has been \$164,678.29, and the receipts from land and mortgages, \$122,211.57.

Then the last item in the receipts is sale of bonds. This was a sale of \$300,000 Dominion bonds, which the Government held as an investment. We sold these bonds, as was before stated in the House, at a rate of \$106 $\frac{7}{8}$, realizing \$320,423, or with accrued interest, \$323,041. The sale of these bonds was considered necessary at the time to provide the means required for the erection of Parliament Buildings, and also to meet the excess of expenditure which, you will recollect, I estimated would take place during the year over the amount anticipated. Had we been able at that time to foresee the successful land sale, the sale of these bonds need not have been made. The result of that sale was far beyond the anticipation of the Department, or of anybody else. In connection with that, I have some figures here which shew that the highest average amount per mile received in former sales was \$640, received in 1870, for merely one specially prized limit of twelve square miles, though taking general sales, the highest price received before was \$532 per mile in 1881, while the average amount received this year was \$2,258 per mile. I may say also that the cash payment made at this sale has been larger in proportion than at any other sale, *i.e.*, a larger proportion of purchase money paid in cash; you may

say in round numbers \$400,000. I repeat, had we anticipated so successful a sale, the bonds need not have been sold. However, the money is in the bank on special deposit, and not a dollar has been used.

Mr. MEREDITH.—What rate of interest is it drawing?

Hon. Mr. Ross.—Four per cent.

Our total receipts, then, including the bonds, have been \$3,846,924.53.

I come now to what our expenditure has been during the year, and I will make, as I proceed, one or two remarks in reference to the variations which have taken place between the estimated and actual expenditure.

EXPENDITURE, 1887.

Civil Government.....	\$189,289 57
Legislation .. .	123,002 46
Administering Justice.....	324,495 09
Education	570,760 42
Public Institution Maintenance.....	650,744 62
Immigration.....	11,795 94
Agriculture	130,567 14
Hospitals.....	106,230 62
Repairs, etc.....	63,250 15
Public Buildings	234,782 69
Public Works.....	40,990 23
Colonization Roads	122,974 78
Crown Lands.....	94,538 80
Refunds	24,729 21
Statute Consolidation	27,759 27
Miscellaneous.....	148,802 97
Ordinary expenditure under Supply bill.....	\$2,864,713 96
Drainage Debentures (Municipal).....	16,366 39
Tile	13,800 00
Railway Aid Certificates ..	247,982 14
Annuity	45,950 00
Municipal Loan Fund ..	177 12
New Parliament Buildings ..	164,678 29
Land Improvement Fund (Special).....	704 53
Common School Lands.....	100,000 00
	<u>\$3,454,372 43</u>

For Civil Government we asked a vote of the House for \$191,765. We have expended \$189,289.57, or our expenditure for Civil Government has been \$2,475 less than the amount voted. For Legislation we asked \$123,600, and we have expended \$123,002, or less than the estimate by \$598. For Administration of Justice the vote was \$372,965. We have only used \$324,495, or there is

\$48,470 unexpended. The items which have been less than the estimate have been mainly Criminal Justice, where there has been an expenditure of \$20,880 less than the amount voted. For Constitutional Questions \$12,000 was asked. The expenditure has been very small, and the unexpended balance is \$10,643. Then the expenditure in connection with Thunder Bay District is \$6,741 less than the estimate. These are the main items of difference which go to make up the \$48,000 unexpended balance. Then for Education we asked \$575,258, and expended \$570,560, or \$4,498 less than the amount voted. For Public Institutions, again, we have an unexpended balance of \$10,362. There has been in connection with that expenditure an over expenditure only in regard to one Institution, that is, Hamilton Asylum, and that was caused by the expenditure rendered necessary by the fire at the close of the previous year. For Immigration we asked \$16,900. We have only expended \$11,796, or \$5,104 of that appropriation was unexpended. I may say that the expenditure in connection with Immigration is going down rapidly every year, and I believe in accordance with the public sentiment of the people of this Province. Just to show what the reduction has been, I might give you the figures for some years past: in 1883, our expenditure for Immigration was \$47,764; in 1884, \$43,369; in 1885, \$19,088; in 1886, \$16,837; and in 1887, only \$11,795. That we propose still further to reduce during the present year.

Then for Agriculture we have an unexpended balance of \$9,319, and I am happy to say to hon. gentlemen opposite with regard to the Agricultural College (if any one has taken up the mantle of the ex-member for West Peterboro') that the expenditure, both for the College and Farm Departments have been less than the amounts voted to them. The College was voted \$19,815; we have only spent \$17,136, or a saving of \$2,700. For the Farm Department \$14,196 was voted; we have only spent \$12,471, leaving an unexpended balance of \$1,721. In connection with that branch hon. gentlemen will see in the Public Accounts an item of some \$415 at the debit of Creamery, which is represented by stock on hand. I may say that the Creamery Department in connection with the Agricultural College has been carried out during the past year, as in the year before, on a self-sustaining basis, and at the close of the year, after making up the accounts of the patrons, we found we had received over and above the amount paid monthly to them, \$404 as surplus to distribute amongst them. It perhaps may be

interesting to the House to know what was paid, and I will give the rates paid during the summer. I may say, for the information of those not posted in dairy matters, that the prices I am about to give represent the prices paid for cream necessary to make a pound of butter, collected at the farmer's door; the farmer therefore receives this price without the trouble of manufacturing or marketing. In May and June we paid 14c.; in July, 16c.; in August, September and October, 17c. After paying these figures, as I said before, we had at the close of the year \$404 to distribute amongst the patrons in proportion to the supply furnished.

Then the next item of expenditure is repairs and maintenance of Government and Departmental Buildings, for which we asked a vote of \$56,580. We expended \$63,250, an over-expenditure of \$6,670, and I suppose I need only repeat what has been said on former occasions, that that over-expenditure principally occurs in the maintenance of this Building, and also in regard to the expenditure for Government House. In regard to the latter, honourable members will readily understand that a change of incumbency necessarily causes some additions and alterations to furniture and furnishings, etc., which have to be provided for, and of which we can only form a general idea at the time of preparing the estimates. The over-expenditure in connection with the Parliament Buildings was \$2,479, and in connection with Government House, \$2,362, and as regards the former, I think the large amount necessary for the maintenance of this old building should satisfy even those who have been opposed to the erection of the new buildings, that as a matter of economy we ought to have them as soon as possible. (Hear, hear). Then for Public Buildings we asked a vote of \$313,334, we spent \$234,782, or there is unexpended of that vote \$78,552. The main items unexpended are Hamilton Asylum, in connection with the cottages there, in which there is an unexpended balance of \$35,982; Orillia Asylum, an unexpended balance of \$14,203, and in connection with repairs and alterations to the Education Department, to be proceeded with this year, \$12,446. For all these sums re-votes are asked in the present estimates.

In Public Works there is an unexpended balance of \$20,071, our expenditure being only \$40,990, against \$61,061 estimated for.

For Colonization Roads we asked \$117,550; our expenditure was \$122,974, or an over-expenditure of \$5,424 on that item.

For Charges on Crown Lands the vote was \$96,900; the expenditure was \$94,538, leaving an unexpended balance of \$2,362. For Refunds we were voted \$31,998; we expended \$24,729, leaving \$7,269 unexpended. For Statute Consolidation we were given \$33,650; we only spent \$27,759, leaving \$5,891 unexpended. For Miscellaneous we asked a vote of \$137,095, while we spent \$141,816, or an over-expenditure under Miscellaneous of \$4,721; that is exclusive of the \$50,000 vote for Unforeseen and Unprovided, which is carried out in the Public Accounts separately. This over-expenditure under Miscellaneous is mainly made up of the \$13,125 over-expended in connection with "The Canada Temperance Act." We asked for this service \$10,000, and expended \$24,525. Taking all these expenditures together, our total expenditure under the Supply Bill has been \$2,864,713.96; our estimated expenditure under the Supply Bill was \$3,085,771.96, or our expenditure under the Supply Bill for the year was \$221,058 less than the amount of the votes you placed at our disposal. (Hear, hear).

Let me now compare our ordinary receipts and our ordinary expenditures. Our ordinary receipts, as before stated, were \$3,123,211.68; our expenditure under the Supply Bill was \$2,864,713.96, or our ordinary receipts are in excess of our ordinary expenditure by \$258,497.72. (Cheers).

Mr. MEREDITH.—Do you call the receipts from the timber sale ordinary receipts?

Hon. Mr. ROSS.—It certainly is an ordinary receipt. It is a portion of the ordinary revenue, which fluctuates from year to year as more or less timber is sold or lumber cut, and certainly is not to be considered outside of the ordinary revenue.

Now, I say, let us examine and see how does this compare with our expectations? We estimated last year that our receipts would be \$2,788,125, and our estimated expenditure under the Supply Bill being \$3,085,771, we estimated that had all our appropriations been expended and all our expectations of receipts been realized, we would have an expenditure over receipts in the year of \$297,646. Instead of that, the receipts have exceeded our expectations by \$258,497, and our expenditure is below the amount voted by \$221,058, so that between the excess of receipts and reduction of expenditure, we are \$556,143 better than we anticipated when I made my last statement. But as was said by the Honourable Leader of

the Opposition, "Oh, you have had a timber sale, and the proceeds of that are not ordinary receipts." Well, for the sake of argument we will deduct the amount of the timber sale, \$399,958, and we are still better than we anticipated by \$156,185. (Applause).

Mr. H. E. CLARKE.—Are the annuities ordinary receipts?

Hon. Mr. ROSS.—The annuities are not ordinary receipts, nor are the old certificates taken up by them ordinary expenditure, so the one meets the other. (Hear, hear).

But, as we have extraordinary receipts, we have also, outside of the estimates, extraordinary expenditures, and these are as given at the end of the statement in the hands of hon. gentlemen.

I may say that the \$100,000 was paid to the Province of Quebec on account of the amount we hold for them *re* Common School Fund.

Now let us see what the total results of the operations of the year have been, including both ordinary and extraordinary receipts, and ordinary and extraordinary expenditures. Our total disbursements have been \$3,454,-372.43. Our total receipts, as before stated, have been \$3,846,924.53, but if we deduct from that the sale of bonds, \$320,423.60, we leave our total receipts, exclusive of the sale of bonds (which is merely a transfer of one investment to another) \$3,526,500.93, or exclusive of the sale of bonds, taking our ordinary and extraordinary receipts and our ordinary and extraordinary expenditures, the operations of the year shew a balance to the good of \$72,928.50. That, recollect, includes the expenditure for new Parliament Buildings, \$164,678, and the \$100,000 paid the Province of Quebec.

Coming now to the financial position of the Province at the close of the year, we will look at our assets and liabilities:

ASSETS OF THE PROVINCE.

1. DIRECT INVESTMENTS:

Dominion 6 per cent. Bonds.....	\$200,000 00	
Market value over par value.....	14,000 00	
	<hr/>	\$214,000 00
Drainage 5 per cent. Debentures, invested		
31st December, 1885.....	198,703 19	
Tile Drainage 5 per cent Debentures, in-		
vested 31st December, 1885.....	51,039 22	
Drainage Works—Municipal Assessments..	245,784 00	
	<hr/>	\$495,526 41
	<hr/>	\$709,526 41

2. CAPITAL HELD AND DEBTS DUE BY THE DOMINION TO ONTARIO, BEARING INTEREST :—

U. C. Grammar School Fund, (2 Vict., Cap. 10).....	\$312,769 04
U. C. Building Fund, (18 Sect., Act, 1854).....	1,472,391 41
Land Improvement Fund, (See Award).....	124,685 18
Common School Fund, (Consol. Stats., Cap. 26)—proceeds realized to 1st July, 1867, \$1,520,959.24—after deducting Land Improvement Fund portion belonging to Ontario	891,201 74
Capital declared owing to the late Province of Canada by the Dominion Act (47 Vict., Cap. 4)—\$5,397,503.13, bearing interest at 5 per cent. Ontario's proportion on basis of Award as advised by Finance Department.....	2,848,289 52
Ontario's Share of Library, (See Award)	105,541 00
	<u>\$5,754,877 89</u>

3. OTHER DEBTS DUE TO THE PROVINCE :—

Balance <i>re</i> Municipal Loan Fund Debts.....	4,850 00
“ <i>re</i> Mortgage on Land at Orillia Asylum....	1,500 00
“ <i>re</i> Mimico Lots.....	5,611 00
	<u>\$11,961 00</u>

4. BANK BALANCES :—

Current Accounts.....	226,666 93
Special Deposits.....	346,579 75
	<u>\$573,246 68</u>
Total.....	\$7,049,611 98

LIABILITIES OF THE PROVINCE AT PRESENT PAYABLE.

1. Balance due to Municipalities <i>re</i> Surplus Distribution.....	\$1,291 34
2. Balance due to Municipalities <i>re</i> Land Improvement Fund, (balance of \$124,685.18, see Award).....	
Balance due for Interest on above	\$3,256 57
3. Quebec's Share of Common School Fund made up as follows :—	
Collections on account of Lands sold between 14th June, 1853, and 6th March, 1861.....	\$880,352 01
Less 6 per cent. cost of Management.....	52,821 12
	<u>\$827,530 89</u>
Less one-quarter for Land Improvement Fund.....	206,882 72
	<u>\$620,648 17</u>
Collections on sales made since 6th March, 1861.....	\$315,331 96
Less 6 per cent., cost of Management	18,919 92
	<u>\$296,412 04</u>
	<u>\$917,060 21</u>
Quebec's proportion according to population of 1881.....	\$379,711 38
Total	<u>\$384,259 29</u>
Surplus of Assets after deducting Liabilities presently payable.....	<u>\$6,665,352 69</u>

With regard to the items of Drainage Debentures and Drainage Assessments, \$495,526, it will be recollected that last year I stated it had come to my knowledge—in making an examination of the manner in which it would be practicable to carry out the provisions of the proposed Act for the reduction of interest on these loans—that although it was true that in some cases where reductions had been made to the municipalities the accountant had not made the corresponding reductions in the Drainage Investment Account, which, if done, would have the effect of reducing this asset. Yet, on the other hand, the equal annual instalments provided by the Drainage Assessment Act, had by the accountant been altogether credited as payments in reduction of principal, although the greater portion of these annual payments represent interest and should be credited to interest account. I stated that I thought these excessive credits to principal would fully equal the reductions which had been made, but not carried into the account. I found that to arrive accurately at the present value of these loans they would have to be recast from the beginning, and I am happy to say, having made thorough calculations in regard to every loan and every debenture that has been purchased, the amount stated now in our estimates is the accurate present value of the debentures now held, and the result is that it has added about \$17,000 to the amount that we had estimated before.

Coming now to the item of bank balances—current account \$226,666.93, and special deposits \$346,579.75—we have a total of \$573,246.68. If hon. gentlemen have my statement of last year in their hands, they will see that we had at that time cash in bank—Current account \$107,549, and special, \$87,295, or a total of \$194,845, while now we have \$573,246.68 at our credit in banks.

The House will have observed, from the Auditor's report which prefaces the volume of Public Accounts, that the Legislature is informed that a discrepancy was found to exist between the balance in banks, as shewn by the Accountant's Ledger balance in the Public Accounts, and the balances as they appear in the books of the banks; and that a thorough examination has taken place of the whole bank accounts from 1867 to the present time, resulting in the discovery of errors and omissions during that period affecting the balances to the amount of \$14,680. In further explanation of this, I may say that in 1885 it was brought to my notice that the bank balance appearing in the Accountant's ledger did not apparently

agree with the balances as shewn in the books of the several banks with which the Province does business. I found that, from 1877 to 1879, no accurate record had been kept in the Audit Department of the cheques issued, nor any systematic checking of the entries in the bank pass-books with the books in the Treasury Department by the Accountant. After the appointment of the present Auditor, Mr. Sproule, in 1879, a correct and continuous record of cheques issued was established, and the bank books checked with the same, but the balance with which this record commenced was taken from the Treasury Ledger, and that balance being inaccurate, the inaccuracy had thus been continued. When this condition of affairs was brought to my notice, I determined that an immediate and thorough examination must be made to locate the discrepancies, and I called in the services of Mr. W. F. Munro, an expert accountant, not connected with the Department or the Government, and set him at the work. It will be readily understood by those conversant with book-keeping and accounts, that a thorough examination of the whole banking transactions of the Government with eight or ten banks for a period of twenty years, involving the receipt and expenditure of upwards of fifty millions of money, was a work involving great time and labour. The difficulty of the work was aggravated by a faulty system of book-keeping inaugurated in the first years of the Province under Confederation. Mr. Munro proceeded with his examination, and presented his report and voluminous statements on July, 1886, showing discrepancies both in receipts and deposits. This report was submitted to Mr. Harris, the Accountant, for explanations. He denied *in toto* the accuracy of Mr. Munro's statement, and he was accordingly asked to give such explanations as he could, or shew where Mr. Munro's report was inaccurate. Mr. Harris asked expert assistance. As his accuracy as a book-keeper and accountant was involved in the result of this examination, his request was granted, and he was allowed to choose his own assistance. He called in Mr. Blakely, who proceeded, with Mr. Harris's assistance, to make a re-examination. Mr. Blakely submitted statements in December last, giving the result of his examination, which corroborated Mr. Munro's report as to some of the errors and omissions, and disagreed with him in regard to others. In the meantime, Mr. Sproule, the Auditor, had been preparing a complete record of all the cheques issued from 1867 to 1879, which, with that which had been kept from 1879 onwards, would form a complete record for the whole

period since Confederation. Upon the receipt of Mr. Blakely's report, it, together with Mr. Munro's, was then submitted to the Auditor for re-examination. This examination by the Auditor was only brought so far to completion on the 9th instant as to enable him to report definitely the amount of the existing discrepancy, which, as stated in his report, is \$14,680. Most of this is made up of book-keeping errors, but there is part of the difference which apparently seems to involve errors of a graver character. It appears that during the years 1875-6-7-8-9, cheques to the amount of \$5,883.11 are charged as paid by the banks which do not appear entered in the Treasury books, nor are the cheques found amongst the returned cheques on file in the Department. There are only two ways that may be suggested as accounting for this—either the banks have erroneously charged these amounts, or some one has fraudulently cashed unauthorized or forged cheques; circumstances lead me to the latter conclusion. First, the erroneous charges or cheques appear in connection with, not one bank, but with all the banks with which the Province did business, and run through the same years. Secondly, during the years in which these erroneous charges occur, the preparation and filling up of the cheques was done by an officer of the Department who was discharged from the service of the Government since that time for incorrectness in dealing with money matters entrusted to him.

Mr. Sproule's statement also shews that between 1872 and 1879, the total deposits are short of the receipts by \$2,213. These are not yet definitely located. Further examination which is now proceeding, I hope will shew that this discrepancy will be accounted for without imputing anything more serious to the officer responsible than careless inaccuracy. I should have preferred that these latter discrepancies should have been definitely located before reporting to the House, but as before stated, the Auditor was only able to report definitely the amount of the discrepancy on the 9th inst., and having discovered the inaccuracy in the balance heretofore carried into the Public Accounts, both he and I considered it our duty at the earliest moment to bring this to the attention of the House, and place the true bank balances in the statement of assets, as I have now done.

Mr. MEREDITH.—Between what years did the hon. gentlemen say these wrong entries were made?

Hon. Mr. Ross.—In 1875-6-7-8-9.

Mr. MEREDITH.—When was the officer discharged?

Hon Mr. Ross.—About three years ago. He is now in the service of the Dominion Government.

We have, therefore, according to the statement, and placing the bank balance correctly, assets to the value of \$7,049,611.98, and then we have liabilities of the Province presently payable (as per statement), \$384,259.29, deducting which from our assets shews a surplus of assets over liabilities of \$6,665,352.69. (Applause).

Before leaving this branch of the statement, it may be well in connection with Drainage loans, to which I have already referred, to mention that under the Act reducing the rate of interest from five per cent. to four per cent., I have caused calculations to be made in regard to every municipality, and every loan to a municipality, to see when the payments provided for by the by-laws in accordance with the Act will liquidate the loans respectively. It will be recollected that I explained this at the time. However, further explanation may now be desirable. I say I explained at the time, that as these by-laws provided that there was to be an equal annual payment made by the party who received the benefit of the loan, spread over a number of years, it would be almost impossible for the municipalities to give the individuals credit for the reduction of interest by reduction of the yearly payments still to be made. Any one familiar with accounts will see that it would involve actuarial calculations of the finest character, which the majority of municipal clerks would hardly be competent to undertake, and would lead to a great deal of irregularity. For instance, the municipal clerk would not know the amount at the credit of Sinking Fund on account of the payments already made, and so on, and the only way to do, therefore, was to allow the payments at the amount fixed by the by-law to continue, making re-calculations, taking interest and Sinking Fund into account, to see at what time these payments under the by-law, at the reduced rate of interest fixed, would liquidate the debt. Calculations are being made on that basis, and every municipality will receive notice of what further payments will be necessary to discharge their indebtedness.

Mr. GIBSON (Huron).—That would not apply in all cases.

Hon. Mr. Ross.—It will apply to all payments that have been made under these by-laws, because you will find that although, for instance, a municipality gives debentures with coupons attached, payable at a fixed

date, the by-law makes provision for equal annual payments by the parties assessed. They do not pay so much for principal and so much for interest, but supposing the debenture to be issued for fifteen years, their respective amounts will be apportioned in fifteen equal annual payments.

Mr. CLANCEY.—Are these five per cent. debentures valued according to that reduction ?

Hon. Mr. Ross.—Yes. Let me illustrate it in regard to those where there have been fixed coupons attached. They will continue to pay the full amount of the coupons hereafter, and the amount of the difference of one per cent. will be placed at the credit of Sinking Fund. Now take, on a basis of five per cent., a loan of \$100, say tile drainage. On a loan of \$100, the party borrowing would have to pay \$8 a year for twenty years ; five per cent. for interest and three per cent. for Sinking Fund. Now, the calculation shows that under our four per cent. plan he will continue to pay \$8, but instead of making the full twenty payments, if he made his loan in 1880 he will only have to pay eighteen full payments, and \$7.68 upon the nineteenth ; he gets credit, therefore, for one full payment and thirty-two cents. Then, taking a loan made in 1885, he will get credit for two full payments ; he will only have to make seventeen full payments, and he will have a credit of sixty-six cents on the eighteenth, the last two being wiped out altogether. Thus you will see that not only do the municipalities get the full benefit of the reduction of interest, but it prevents the confusion which would arise if the municipal clerks would have to make the reduction each year.

I am sorry, Mr. Speaker, that I am not able at the present time to report any definite progress in connection with the settlement of the accounts between the Dominion and the Provinces. The absence of the Finance Minister and Deputy Finance Minister in England immediately after the close of the session of the Dominion House (and afterwards their engagements in connection with the Fisheries question), has prevented an opportunity of getting these officers to take up these questions at all, but though no definite settlement has been made, and no meeting has taken place, yet we are not without having made some progress towards a settlement. We are in the way of removing some of the difficulties. One of the difficulties was the interpretation of the Award in connection with the Upper Canada Land Improvement Fund, a question in which all the municipalities (at least a very large number of them) are interested, and I may be permitted,

and perhaps excused, in going over to some extent, explanations which I have given before, because repeated explanations in connection with this subject, I think, will be of public benefit, and will relieve the Department of a very great deal of correspondence. I say one of the difficulties between Ontario and Quebec is in connection with the Upper Canada Improvement Fund upon Crown Lands. There is no difference as regards the Common School Fund; that has been settled and municipalities paid, but in regard to the Land Improvement Fund on Crown lands, Quebec disputes the liability of the late Province of Canada. The position taken by Ontario is in possession of the House, through correspondence that has been published in connection with that matter. I need not go into the history of it, but I merely may premise that the fund was created by Order in Council in 1853, which provided that one-fourth of School lands and one-fifth of Crown Lands should be set apart as an Improvement Fund for the construction of roads, bridges, and local works, in counties and municipalities in which the lands were situated. These lands were sold under that regulation. The purchasers purchased under the idea that they would have the benefit of a portion of the money they paid for the land for opening up the country and the roads surrounding these lands. Payments were made to the municipalities from 1853 to 1861 by the old Province of Canada on account of this fund until, in 1861, an Order in Council was passed discontinuing them. Our contention is, that that Order in Council, although it put an end to the fund so far as future sales were concerned, had not put an end to the fund so far as sales that had already taken place were concerned, and that all collections on account of sales made prior to 1861, had to be treated as a trust fund for the benefit of the municipalities to the extent of the one-quarter and one-fifth set apart for these improvements. That is our position. At the time of the arbitration the Finance Department submitted to the arbitrators a statement shewing three items in connection with the Upper Canada Land Improvement Fund. First, the balance of \$5,119.08 unexpended, ——— collected and admitted to be unexpended; second, one-fourth of the Common School Fund, \$124,685.18, and third, one-fifth of the Crown Lands sold during the same period, and not paid to the municipalities, \$101,771.68, or in all, \$231,575.94. Now, Ontario contends, as I said before, that these lands were sold subject to this trust, and while, as I say, the rescinded Order in Council relieves the lands *afterwards* sold, it

still continues operative in regard to those sold before. We say that the Award provided that all this \$231,575 belonged to Ontario. Quebec disputes this, and it is upon the construction of the Award that the difference arises. The Award provided (under sec. 5) "that the following special or trust funds and the moneys thereby payable, including the several investments in respect of the same, shall be, and the same are hereby declared to be, the property of, and belong to the Province of Ontario for the purposes for which they were established." Then it goes on to recite the different funds. First, there is the Upper Canada Grammar School Fund, then the Upper Canada Building Fund, "The Upper Canada Municipalities Fund" and "The Upper Canada Improvement Fund." Now, the question to be decided is, what did The Upper Canada Improvement Fund then consist of? It will be noticed in this clause that the Award merely says that certain funds shall belong to Upper Canada. In no case does it state what the amount of the fund is. Now, Ontario contends that the Improvement Fund consists of the three amounts mentioned in the statement furnished by the Finance Department at Ottawa to the arbitrators, amounting, as I said before, to \$231,575, and including the amount for Crown Lands, \$101,771. Quebec says it only includes the \$5,119 and the \$124,000, but that it does not include the \$101,771, and the reason they admitted the \$124,000 is because the arbitrators, in dealing with the Common School Fund, which Quebec claimed to have an interest in, found it necessary that the fund should be divided in certain proportions between Quebec and Ontario, and therefore, in the clause affecting the Common School Fund, they declared that this \$124,000 should be first deducted from School lands, and the balance divided between Ontario and Quebec. Now, that is the only reason they had for naming the sum of \$124,000. Had it not been necessary to deal with it in connection with the Common School Fund no amount would have been named, and all the fund would have been dealt with in the same manner as other funds are dealt with in Section 5, viz., as a general trust fund, without stating any particular amount. These two branches of the Improvement Fund being exactly in the same position, set apart by the same Order in Council, provided for by the same Statute, under the same direction, to be applied to the same purpose, abolished by the same Order in Council, they stand upon exactly the same footing. As being a liability of the late Province of Canada, if they recognize one they cannot resist recognizing

the other. That is our contention. Well, it has been agreed to refer this matter to arbitration—an arbitration of Judges—and if we get this matter settled it will remove one of the difficulties that have been keeping us back in connection with the settlement of the accounts. I may say in connection with that fund, that the Province of Ontario, as a Province, has nothing to gain, but rather to lose by our contention, but the Government recognize the rights of the people of the municipalities, and feel bound to do everything possible to sustain their interests and see that they are protected. The reason I say this is, that if the amount of the Award is a liability against the late Province, Ontario will have to provide five-ninths, and Quebec the other four-ninths of the sum to be paid to the municipalities, so that as regards our Province, the Treasury will not gain, but the municipalities will. The Government will do all that is possible in the interest of the municipalities; they will employ eminent counsel to have the matter decided, and I may suggest to those connected with the municipalities, that it might be advisable to name an associate counsel in connection with the counsel appointed by the Government to represent the municipalities, so that there can be no question that the rights of the municipalities will be looked after; otherwise, if the Award is found to be against Ontario's contention, some of the municipalities might think that the Government had not done its full duty in connection with the Award. I do not think that any objection would be taken to the small expense that might be incurred in connection with this, and believe that counsel employed by the Government, would be glad to have associated with them counsel, who would see that the interests of the municipalities were fully protected.

Then again, another matter that has also to be referred to arbitration is the question of what interest Ontario is liable to pay in connection with the collections that we have made on account of Common School Fund. It will be recollected that the amount now held by Ontario embraces collections made from 1867 to the present time; that the Award of the arbitrators which directed that this fund was one in which Quebec had an interest, was not made until September, 1870; that that Award was repudiated by Quebec, and not confirmed by the Privy Council until 1878. The question then arises, from what date ought Ontario to pay interest to Quebec? It would hardly be reasonable that we should pay interest on a fund before the direction was made giving Quebec an interest in it, and

it has therefore been decided to leave the matter to arbitration. When we get these two questions settled, I think we shall have some of the main difficulties removed.

Mr. MEREDITH.—Are these the only questions Quebec raises ?

Hon. Mr. ROSS.—There may be other questions, but these are the main questions on which there has been discussion. I may say that there is also a question in connection with the interest upon the Upper Canada Building Fund.

In coming, Mr. Speaker, to the proposed operations of the present year, the estimates distributed yesterday will have given the House information as to what we ask. A few references may not be out of place. For Civil Government you will see that we ask this year \$195,195 against \$191,765 last year, or we are asking \$3,460 more. It will be readily understood that there will be necessarily an increase of work going on from year to year, and also that old, valued and experienced officers will expect increases from time to time, and these cannot be avoided. Then for Legislation we ask \$122,050 against \$123,600 last year. For Administration of Justice we ask \$364,296 against \$372,965 in 1887, a reduction of \$8,430 upon that item. The principal reductions are in connection with Crown Counsel and Criminal Justice Expenditure. Then for Education we ask \$580,062 against \$575,258, an increase of \$4,600, \$3,000 of which is in connection with New and Poor Schools in the outlying districts, and \$1,500 in connection with High Schools. Then for Public Institutions we ask \$703,624 against \$661,106, or an increase of \$42,500. This increase is in connection with the completion and occupation of the new buildings at Hamilton and Orillia for the Insane and Idiotic. For several years we have always expressed the hope that every new building erected would be sufficient to meet the requirements of the Province for some years to come, but just as these buildings were completed, so would the necessity spring up for further accommodation, and that accommodation the Government feels itself bound as far as possible to provide. For Immigration we only ask \$7,700 against \$16,900, and I think, as I said before, that that reduction is quite in accordance with public sentiment. It will be seen that we propose to confine our operations this year only to the maintenance of our Liverpool or English Agency, and of our sheds in Toronto, and to providing for a limited amount of literature. For Agriculture we ask \$136,131 against \$139,886, or a reduction of \$3,755, and I may say that it will be noticed in the

Estimates that that reduction is mainly composed of a reduction in connection with the grant to the Agriculture and Arts Association, that portion applied to the Provincial Exhibition ; and while the Government have not come to a definite conclusion as to whether that Exhibition shall be continued or not, we have thought best not to provide for that amount, taking the sense of the House as to whether the Exhibition shall be continued this year or not. It will be recollected that when the discussion was up before, very strong objections were raised to the continuance of the Exhibition, and it was then urged, and urged very strongly, and with a very great deal of force—with a force that I thought myself was unanswerable—that at any rate for that year, as the Exhibition was to be held in the eastern part of the Province, it should not be interfered with. The Exhibition was held, and it was not a financial success.

Then with regard to Hospitals and Charities, there is an increase of \$7,155, that increase being necessitated by the increased work done under the Act. For Maintenance and Repairs of Government Building we ask \$62,976 against \$56,580 last year, an increase of \$6,396. Then for Public Buildings, we ask this year \$281,412 against \$313,334 in 1887, or a reduction of \$31,922, but of course the Supplementary Estimates may increase that when they come down. I may mention in connection with that, that it is rarely that the full amount of the vote taken for Public Buildings is expended, because it is impossible to foresee what progress the contractors may make in the work ; therefore it is necessary to ask what is required to complete the works, and if they are not finished during the year, such portion of the appropriation as is not taken up has to be re-voted.

I do not know that there are any other particular items in connection with the Estimates that it is necessary I should bring before the House, further than to say that for Statute Consolidation we ask a further sum of \$21,500 this year which it is estimated will complete that work. It may be interesting to the House to know what amount has been expended on that service up to the present time. The total expenditure has been \$47,765.29, and adding the \$21,500 which we ask this year, will bring up the total expense of consolidation this time to \$69,265.29. The costs in 1877 was \$73,787.47. In Miscellaneous, we only ask \$68,100 against \$137,095 asked and \$141,816 expended last year. The estimate of last year, of course, included the cost of a general election, which accounts for \$69,549. There are only two items in connection with Miscellaneous

which I think call for remark. One is the amount asked for enforcement of "The Canada Temperance Act," \$25,000. In 1887 we expended \$24,596 against the estimate of only \$11,400. We sometimes hear our temperance friends finding fault with the Government that we do not enforce the Temperance Act to our utmost ability, and that the Government are not doing their whole duty in that respect. I think, in refutation of that charge, (if it is seriously made), we can fairly point to our expenditure. I may say, that the enforcement of that Act, as regards its cost, is much more onerous upon the Government than upon the municipalities, and yet it is the people of the municipalities who, by their votes, bring the Act into operation, and it would seem reasonable that they themselves should bear the expense, but experience shews that the great bulk of the expense is borne by the Government and not by the municipalities. On the other hand, the municipalities are making direct profit out of it under the clause in the Order in Council passed by the Dominion Government, by which the fines are paid over to the County Treasurers. I think it is unfair to the Province, that the burden of enforcing that Act should have been thrown upon it, and that the Dominion Government should have so applied these fines that they are not available for the administration of the Act, but go to the municipalities, leaving the bulk of the expenditure to the Province. I will give the House some figures shewing what has been the result of the operation of that Act during the past year. The municipalities received in 1887, \$94,808 ; they were asked to contribute their proportion of the expenditure, two-thirds of which, payable by them under the Act, was \$44,563 ; deducting that from the \$94,808, leaves the municipalities, during last year, a clear profit of \$50,245, against a clear loss for expenditure by the Government of \$24,596, and no receipts to the Province.

Mr. MEREDITH.—The moral of that is, repeal the Scott Act.

Hon. Mr. ROSS.—No, the moral is, that hon. gentlemen opposite, and those who wish to see the responsibility fall where it ought, should see that their friends at Ottawa so amend the Order in Council, that the fines go into the general fund, and that the Province and the municipalities shall only be asked to provide for the difference. But it may be said, the municipalities lose revenue by the operation of the Act. So does the Province. Let us see what the loss of revenue will be. From a very close estimate made, based upon the amounts received before the Scott Act was

in operation, we find that the municipalities where it is in force have lost revenue to the extent of \$135,000, which, deducting the \$50,000 profit, leaves a net loss to the municipalities of \$84,755. The Government, on the other hand, paid directly in cash, \$24,596 ; we have lost in revenue \$124,000, or the Province's loss in connection with it has been \$148,596, against the municipalities' loss of \$84,755. Now, I would ask our temperance friends whether they do not think that these figures I have given, make out a strong case, shewing that the Dominion Government should be asked to amend the Order in Council and place the fines to the credit of the fund ? Then, after that, let the responsibility be divided between the Province and municipalities to provide the difference.

There is another item in connection with Miscellaneous which I think it necessary to refer to. It will be noticed that in the item for " Insurance of Public Buildings," there is nothing carried out in the column for 1888. There are, no doubt, different opinions on this question, as to the policy of the Government insuring its buildings, scattered as they are over all parts of the Province, and the Province taking due care, by the appointment of watchmen and otherwise, to see to their safety. Some contend that it would be better for the Government to insure for themselves, and others that it would be safer to insure as individuals and companies do. It is a question of the balance of advantages. The experience of a large number of years is necessary to afford an accurate estimate in looking at what our revenue and our losses aggregate respectively, in considering this question of insurance or non-insurance ; but when such question comes to an even balance, and there is thrown into the scale a new element, that of uncertainty as to recovery when a fire takes place ; when the insurance companies refuse to pay the loss, the equilibrium is destroyed, and the balance lies in the direction of the Government carrying their own risks. Now, that is the position of this question at the present time. A fire occurred at London Asylum during this last fall. A portion of the main building described in the plan as " kitchen and laundry department," was destroyed by fire. It was supposed by the Government that that portion of the building had been covered by insurance from fire for the last fifteen years, ever since the Province began to insure, but when the valuation was made and the claims presented to the companies, all the companies, with the exception of two, disputed their liability, claiming that this portion of the building was not properly described as part of the main building, and

resisted payment. This building that was destroyed, was part of the original contract for the asylum, it was built as part of the main building, shewn in the plans as part of the main building, and the Government had been under the impression for the last fifteen years that it *was* part of the main building, and had paid the premium on that assumption ; and therefore the Government considered that these companies ought not to have taken advantage of a technicality (if a technicality it was) to refuse payment in this case. The two companies who have honourably paid, are the Hand-in-Hand and Queen City, and I consider it only due to these companies to acknowledge their honourable conduct. Now, therefore, the question seems to be, whether it is prudent for the Government to continue to pay premiums, if, when losses occur, technical objections are taken advantage of, and the losses not paid ? Under the circumstances the Government have not asked for an appropriation. When the present policies expire the Government will then do their own insurance.

Now then, altogether we ask in our ordinary Estimates \$2,988,724.62. Then we have to expect certain expenditure outside of the Estimates. We will have during the year, Railway Certificates to the extent of \$247,982, and we will have Annuity Certificates, \$52,200, or you may say that our total anticipated expenditure in Estimates and outside of the Estimates, will be \$3,288,906.62. Now the next question is, how are we going to meet that proposed expenditure—the ways and means ?—and this I will proceed to give in our estimated receipts which honourable gentlemen will find in the sheets they have in their hands.

ESTIMATED RECEIPTS, 1888.

SUBSIDY	\$1,196,872 80	
INTEREST ON CAPITAL HELD AND DEBTS DUE BY THE DOMINION TO ONTARIO	\$279,111 10	
INTEREST ON INVESTMENTS	40,000 00	
		319,111 10
CROWN LANDS DEPARTMENT :—		
Crown Lands	\$74,600 00	
Clergy Lands	7,000 00	
Common School Lands	16,000 00	
Grammar School Lands	2,000 00	
Woods and Forests	1,300,000 00	
		1,399,600 00

PUBLIC INSTITUTIONS :—

Toronto Lunatic Asylum	\$33,000 00	
London “	10,000 00	
Kingston “	4,000 00	
Hamilton “	5,000 00	
Orillia “	2,000 00	
Reformatory for Females	4,000 00	
“ Boys	600 00	
Central Prison	65,000 00	
Deaf and Dumb Institute	200 00	
		123,800 00
EDUCATION DEPARTMENT		25,000 00
CASUAL REVENUE		35,000 00
LICENSES		195,000 00
LAW STAMPS		60,000 00
ALGOMA TAXES		5,000 00
DRAINAGE ASSESSMENT		24,000 00
MUNICIPAL LOAN FUND		4,850 00
INSURANCE COMPANIES' ASSESSMENTS		3,000 00
ASSESSMENT OF COUNTIES <i>re</i> REMOVAL OF LUNATICS		6,000 00
Total		<u>\$3,403,233 90</u>

MR. MEREDITH.—There is a large increase in the Central Prison estimate.

HON. MR. ROSS.—Yes. That includes the revenue to be derived from the brick now in course of manufacture there, to be used for the Parliament Buildings.

It will be seen that for Algoma Taxes I have only estimated \$5,000, as we do not expect to receive this year so large an amount. The last year's unusually large collections were in consequence of the discount offered for prompt payment of arrears. Now, our total estimated ordinary receipts as given in the statement in the hands of Hon. Members, are \$3,403,242.20, and our total ordinary expenditure, \$2,988,724.52. It therefore appears that our anticipated receipts for next year, over and above the votes we ask, will leave us a surplus of \$414,518.38. But as we have additional receipts, so will we have additional capital expenditure; we will have an expenditure of \$247,982 again for Railway Certificates, and also the sum of \$52,200 for Annuity Certificates, in all \$300,182 outside of the estimates in the hands of members, and taking that from \$414,518, will leave us, after providing for these, \$114,336.38 over and above all. It will be noticed in this estimate of receipts that I have not taken credit for any proceeds of

annuities. It will be recollected that when I introduced this scheme, I stated that the Government, if we ever had an increase of subsidy or other revenue, would pay the certificates off in cash, but at the same time we would take authority to replace these certificates as they fell due by the issue of new ones. I recollect that we had some ironical "hear, hears" from hon. gentlemen opposite, but even the unexpected sometimes happens, and we are going to pay the certificates this year without the issue of annuities, and after doing so, as I said, we will still have out of our estimated revenue for the coming year, a surplus of \$114,336 over and above all our expenditures, with the exception of the expenditure for Parliament Buildings, and to meet that expenditure we have, first, this \$114,336; next, the proceeds of the mortgage sold but not received last year, \$27,848; next we have cash in banks, \$573,246, less the proceeds of our bonds (which we do not propose to touch), \$320,423, or a balance of cash in banks of \$252,823 available. Putting these sums together we have \$395,007 available to meet the expenditure upon the new Parliament Buildings. It may be, however, that there will be additional sums required when the Supplementary Estimates come down, but I think, taking the experience of the last few years, we may calculate that the unexpended balance on Public Buildings will almost meet the amount that may be required under the Supplementary Estimates.

We have in these estimates, both of receipts and expenditures, not over-estimated our expected receipts or under-estimated our expenditures, and we hope that in 1888, as in 1886 and 1887, by the exercise of that care, economy, and prudence, which have been the governing principle of this administration, to be enabled, at the close of the year, to shew that the expenditure has been kept well within the amount voted, and that we have not been necessitated to take advantage to the full, of the sums which the generous confidence of the House has placed at our disposal.

Mr. Speaker, I think I may say that it has been my privilege to make what I think may be accepted as a very satisfactory statement as to the financial operations of the past year, and our prospects for the present, and with these remarks I beg to move that you do now leave the Chair.

SPEECH

1889

OF THE

HON. A. M. ROSS,

TREASURER OF THE PROVINCE OF ONTARIO,

DEBATED

ON THE 14th FEBRUARY, 1889,

DE

IN THE

LEGISLATIVE ASSEMBLY OF ONTARIO,

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY.

REPORTED BY L. V. PERCIVAL.

TORONTO :

PRINTED BY WARWICK & SONS, 68 AND 70 FRONT STREET WEST.

1889.



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HON. A. M. ROSS,

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1889.

FINANCIAL STATEMENT
OF THE
HONORABLE A. M. ROSS.

LEGISLATIVE ASSEMBLY,

TORONTO, Thursday, 14th February, 1889.

HON. MR. ROSS spoke as follows:—

MR SPEAKER,—The annual statement of the financial operations of the Province, which it is the established custom of the Treasurer to present at each Session, is always looked forward to with interest by both sides of the House; by gentlemen on this side supporting the Government with an anxious desire that the statement presented may be of such a satisfactory character as will justify the confidence they have felt in the Government, and by hon. gentlemen opposite, with a watchful eager criticism which is to be expected from Her Majesty's loyal Opposition, and a prompt challenge of anything that may be in their opinion open to investigation; particularly do they scan closely the receipts and expenditure to see if the actual transactions of the year bear out the forecast made by the Treasurer in the previous Session, whom they generally accuse of taking too favorable a view of the probable results of the year's transactions.

I again follow this year the practice I introduced some years ago of placing in the hands of Members sheets containing an abstract of the expenditures, receipts, assets and liabilities, and the anticipated receipts for the present year, to facilitate them in following the remarks the Treasurer may have to make.

Without any further preface, I proceed at once to place before the House a plain, business statement of the transactions of the past year. First, I will take up the Receipts for 1888, comparing them with the estimate of what we expected to receive during the year.

RECEIPTS, 1888.

SUBSIDY.	\$1,116,872 80	
SPECIFIC GRANT	80,000 00	
	<hr/>	\$1,196,872 80
INTEREST ON CAPITAL HELD, AND DEBTS DUE BY THE DOMINION TO ONTARIO.....	\$279,111 10	
INTEREST ON INVESTMENTS	55,331 95	
	<hr/>	334,443 05

CROWN LANDS DEPARTMENT:—

Crown Lands	\$77,071 40	
Clergy Lands.....	8,347 49	
Common School Lands	11,395 15	
Grammar School Lands	2,445 20	
Rent <i>re</i> Lands	10 00	
In Suspense <i>re</i> Lands	18,771 42	
Woods and Forests.....	1,316,139 09	
Casual Fees.....	1,763 74	
Refunds <i>re</i> Destitute Settlers.....	396 79	
Refunds <i>re</i> Settlers' Homesteads.....	114 30	
	<hr/>	1,436,454 58

ALGOMA TAXES	2,282 26	
LAW STAMPS	81,044 50	
LICENSES	233,886 19	
EDUCATION DEPARTMENT	33,173 74	

PUBLIC INSTITUTIONS' REVENUE:—

Toronto Lunatic Asylum	\$38,667 23	
London	19,792 96	
Hamilton	6,463 34	
Kingston	3,748 58	
Orillia	1,477 47	
Reformatory for Females....	4,354 80	
" Boys	515 50	
Central Prison.....	27,727 29	
Deaf and Dumb Institute	150 00	
	<hr/>	102,897 17

CASUAL REVENUE:—

Provincial Secretary's Department.....	\$9,336 28	
Fines, etc	3,370 79	
Insurance Company's Fees.....	665 00	
Surrogate Court Fees	1,325 50	
Division "	2,040 90	
Official Gazette	8,473 18	
Private Bills	2,355 50	
Statutes	6,968 95	
" Index.....	54 00	
Incidentals	124 80	
		\$34,714 90
Insurance Companies' Assessments	3,020 53	
Removal of Patients "	9,083 57	
		12,104 10
LONDON LUNATIC ASYLUM—INSURANCE.....		1,279 94
DEAF AND DUMB INSTITUTE—INSURANCE		336 42
AGRICULTURAL COLLEGE—SALE OF FURNITURE		113 25
LAKE NIPISSING WORKS—SALE OF SCOW ..		400 00
DRAINAGE WORKS ASSESSMENTS		15,041 52
MUNICIPAL LOAN FUND.....		4,000 00
		\$3,489,044 42
DRAINAGE DEBENTURES		31,758 44
" TILE		3,398 56
ORILLIA LUNATIC ASYLUM—MORTGAGE		1,500 00
MIMICO FARM—MORTGAGE		2,386 84
TORONTO LUNATIC ASYLUM—SALE OF LANDS		30,471 81
NEW PARLIAMENT BUILDINGS FUND.....		28,861 71
		\$3,587,421 78

In the item of Interest on Investments, our estimate last year was \$40,000; we have received \$55,331, or \$15,331 in excess of our estimate. From Algoma taxes we estimated to receive \$5,000, and received \$2,282. This is owing to the fact that we had a large sale for taxes in 1887, and a number of the lots were sold for less than the taxes. I had expected that a large number of these would have been redeemed during the past year, and that through that redemption we would get the balance due us; these expectations have not been realized.

In the item of law stamps we have received \$81,044; my estimate of what we might expect to receive was \$66,000. The receipts for 1888 have been exceptionally large—the largest, I think, with the exception of 1874, when the reduction was made in stamp taxes formerly imposed. A

part of this increase is no doubt due to commutations to Local Masters and Surrogate Judges, but the bulk of it is owing to the increase of business during the past year.

From licenses it will be seen above that we have received \$233,886 ; our estimate of receipts was \$195,000. Although at the time of the last meeting of the House it was known that the votes to be given on the question of the repeal of the Scott Act in a number of counties where it was then in force might affect our revenue, we did not feel ourselves justified in taking into account any additional revenue that might be derived from that source. As the House is aware, many of the counties repealed the Act, and the result was that the License Law came into operation in those districts, and more licenses were issued, so that owing to the repeal of the Scott Act we have received the sum of \$34,510 for licenses in excess of what we had expected to receive from these counties during 1888, or altogether the sum of \$38,886 over our estimate.

From the Education Department we have received \$33,173 ; our estimate was \$25,000. The increase I believe has been mainly due to the large number of examinations taking place at the Education Department, which has added largely to the receipts.

Then for Public Institutions' Revenue we have received \$102,897. My estimate was \$123,800. We have not received that sum by \$20,902. This is mainly due to the fact that the adjustment of the Central Prison accounts in connection with the manufacture of brick used in the construction of the new Parliament Buildings had not been concluded at the close of the year, and therefore the revenue from that industry has not been brought into the Public Accounts.

Then we have Casual Revenue, \$34,714. The estimate for that was \$35,000, the receipts, therefore, very nearly approximate.

From insurance companies, which is a fixed statutory revenue, we have received about what we estimated, \$3,000.

For removal of patients the estimate was \$6,000, and we have received \$9,083. That amount has been collected from counties.

Then you will notice some small items of revenue :—London Asylum, insurance, \$1,279 ; that is the amount paid in by the two companies who paid our claims *re* the London fire. Deaf and Dumb Institute, insurance,

\$336; Agricultural College, sale of furniture, \$113; Lake Nipissing Works, sale of scow, \$400; for Drainage Works Assessments, our estimate was \$24,000, our receipts only \$15,041, but for the purpose of enabling the Public Accounts to be presented as early as possible, we closed our revenue accounts in the Treasury Department earlier than usual. The result was that a number of payments for drainage loans came in a few days after the accounts had been closed, and will come into the receipts of this year. Then for Municipal Loan Fund we estimated \$4,850, the final and closing settlement with the City of St. Catharines; we received \$4,000 within the year by the sale at par of the city debentures received, and the balance of \$850 has been received since the close of the financial year. This closes finally, Mr. Speaker, the Municipal Loan Fund settlement, in connection with which we have nothing more to collect.

Our total ordinary receipts are, therefore, \$3,489,044.42, the total estimated was \$3,403,233, or our ordinary receipts have exceeded our estimates by the sum of \$85,811. I think we may fairly claim that our forecast of the receipts of the year has been closely verified, and our estimate was, as was intended, kept rather within than over what might have been calculated on.

Then we have, outside of ordinary receipts, certain other receipts. We have Drainage Debentures, Tile Drainage Debentures, Orillia Idiot Asylum mortgage, and mortgages in connection with lots at Mimico Farm. These receipts from Drainage Debentures are repayments on account of loans made, which are reinvested again in other loans which appear in the expenditure statement; these debits and credits shewing the fluctuation of the Drainage investments. We received in these repayments during the past year \$35,157, and by referring to the expenditure statement you will see that we have in the past year reinvested all of this \$35,157, and also \$23,628 additional.

In regard to the sale of Asylum lands, I may say that the high price which real estate has attained in Toronto has for many years pressed upon the Government the inadvisability of continuing the occupation of about seventy acres of valuable land mainly for the purpose of growing vegetables. Last session a vote was taken for the erection of four cottages at Mimico, with a capacity of fifty patients each, to be run

in connection with the Toronto Asylum, and it was intended that the proceeds of the sale of this surplus land in connection with the Lunatic Asylum should be devoted to the cost of these cottages, believing that the people of the Province would rather have the value of the land in the shape of additional accommodation for these unfortunates than have it used as at present in connection with the Toronto Asylum. There was an urgent demand for increased accommodation, and we felt ourselves justified in entering upon the erection of these cottages. Contracts have been let for eight cottages to be built at Mimico, with a capacity for 400 patients, and the whole cost of these we expect to be recouped from the sale of these asylum lands. Tenders were invited for the purchase of this land, the past season being thought by the Government a favorable one for placing it upon the market. Tenders were invited for sixteen acres in October last. The land was divided up into sixteen parcels. A number of tenders were received and several were accepted, and I may give the House the number of blocks disposed of, (I daresay most hon. gentlemen have seen the plan,) the names of purchasers, and the prices paid:—

Blocks “F” and “G,” on Queen Street to the Land Security Company, at \$150 per foot frontage.

Blocks “J” and “K,” on Queen Street to the same Company, at \$140 per foot.

Block “P,” the Toronto Land and Investment Company, at \$25.55 per foot.

Blocks “Q” and “S,” Ontario Industrial Loan and Investment Company, at \$25 per foot. These are rear blocks.

The tenders for the other nine blocks were declined, as the Government did not consider the price offered was the fair market value of the land. New tenders were invited again on the 27th December for the remaining blocks not sold. Of these tenders five were accepted:—Block “D,” on Queen street, from the Land Security Company, at \$152.50 (I may say that the former offer for that block was \$140). Block “M” was allotted to A. McRoberts, at \$31.50 per foot; Block “O” to C. H. Nelson, at \$31.60; Block “R” to the Toronto Land and Investment Company, at \$32, and Block “T” to T. H. Ince, at \$25 per foot. Tenders for the three remaining blocks on Queen street were not accepted, as they were still

thought below the market value. A tender of \$30 for Block "N" was not accepted, the Government thinking that \$30 was not fair value for the land, but after the close of the sale some parties who had sent in tenders at \$30 per foot were given an opportunity of increasing their tenders, and the offer of Thomas McGaw of \$31.50, the highest received, was accepted. Altogether we have sold thirteen blocks, five on Queen street and eight in the rear, realizing \$215,688. The terms were one-fourth cash, the balance in five years at 5 per cent. Of the one-fourth in cash, the amount stated in the Receipts, \$30,471.81, was received before the close of the year. We have still three lots on Queen street unsold, on which we expect to realize something about \$60,000, so that the tenders we have accepted and the \$60,000 we expect will bring up the receipts for these sixteen acres to about \$275,688, which we estimate will cover the erection of the eight cottages.

We have still in connection with the asylum, outside of the present walls, some nineteen acres which is available for sale, but as there is a large quantity of brick clay, valuable for brick making upon it, required for this industry in the Central Prison it was not deemed desirable to dispose of it at the present time.

Our total receipts, therefore, Mr. Speaker, from all sources, have been \$3,587,421.78,

We now come to the expenditure of the past year :

EXPENDITURE, 1888.

Civil Government	\$200,685 24
Legislation.....	127,030 77
Administration of Justice.....	373,898 80
Education	579,465 30
Public Institutions Maintenance.....	721,602 69
Immigration	7,952 39
Agriculture	137,054 46
Hospitals and Charities.....	113,686 14
Repairs and Maintenance, P. B.....	69,229 54
Public Buildings	291,423 56
Public Works	42,870 71
Colonization Roads.....	112,273 56
Charges on Crown Lands	96,734 47
Consolidation of Statutes	31,394 99
Miscellaneous	74,030 67
Refunds	27,703 73
Ordinary Expenditure under Supply Bill.....	\$3,007,037 02

Drainage Debentures.....	\$47,684 92
Tile “	11,100 00
Railway Aid Certificates	247,982 14
Annuity “	52,200 00
Widows Pensions.....	11,041 15
New Parliament Buildings	159,203 23
	<hr/>
	\$3,536,248 46

First, you will see that for Civil Government we have expended \$200,-685. Our estimate was \$198,745, or we have expended \$1,940 over the amount voted. For legislation the vote was \$122,050 ; we have spent \$127,030, or an over-expenditure of \$4,980. Most of that is in connection with the item, as you will see by the Public Accounts, of Stationery, printing and binding. We exceeded the vote by \$2,864. This is almost altogether out of the control of the Government. If any control can be had over it, that control rests with the House. It depends altogether upon the volume of Returns asked for and the Reports sent in. There is also included in that the cost of indexing the Journals, which amounted to \$1,278.69. There was also extra work on the Catalogue and Legislative documents.

Then for Administration of Justice we spent \$373,898, the vote being \$371,476, or an over-expenditure of \$2,422 under that head. The principal items in which there has been an over-expenditure will be seen in the Public Accounts, and will be found to be under the head of Litigation of Constitutional questions, for which we took a vote of \$12,000, and our expenditure was \$21,332, or an excess over the estimate of \$9,332. That is mainly in connection with what is known as the Indian Title question. It is to be hoped that the Province has seen the end of this Litigation of Constitutional questions. The Province has no reason to be dissatisfied with the decisions arrived at, but we have reason to regret the expense we have been compelled to incur in defending the rights of the Province. Our total expenditure in connection with litigation of constitutional questions has been \$112,694, exclusive of the cost of holding possession of the Disputed Territory, or the territory that was disputed. For that expenditure of \$112,000 I claim that the Dominion ought to reimburse the Province. Sir John Macdonald has himself admitted that in kindred expenditures to which other Provinces have been put, the Dominion ought to reimburse

them. The Hon. Mr. Robertson, Provincial Treasurer of Quebec, in his Budget Speech of 1885, announced publicly that Sir John had promised that all the costs in connection with the appeal of the license question to the Privy Council would be paid by the Dominion, and Mr. Robertson repeated that statement in his Budget Speech of 1887, and I having seen the statement in his speech wrote him on the 15th January, 1887, asking whether the promise made by Sir John referred to in his Budget Speech had been carried out.

In a letter dated 19th January, 1887, he replied as follows :

“ At an interview with Sir John A. Macdonald and some of his colleagues in Ottawa, after the decision of the Supreme Court respecting license matters had been rendered, Sir John expressed himself as not satisfied with the decision of the Supreme Court, that it would not carry equal weight with a decision of the Privy Council in England ; he said that he thought of an appeal to England, as it would be more satisfactory to all parties. I replied, ‘ Sir John, you formerly stated that you would abide by the decision of the Supreme Court, and now, if you drag the Provinces to England, it’s no more than right that the Dominion should pay the expenses of the appeal to England, as we are forced there by you.’ He replied, ‘ Mr. Robertson, I think you are right ; the Dominion should pay all costs in appeal to England, and it will be done.’ ”

I hope, Mr. Speaker, that the same measure of justice will be meted out to Ontario, and that we will be reimbursed the large cost we have been put to in resisting those unjust attacks upon our legislative and territorial rights.

Then we have another admission of the Dominion Government which I think should fortify us. In the Dominion Statutes of 1885, Manitoba was granted a large sum in addition to her subsidy, as stated distinctly in the preamble to the Act, “ as a full settlement of all claims made by the Province for reimbursement of costs incurred in the government of the disputed territory or a reference of the boundary question to the Judicial Committee of the Privy Council,” so that Manitoba was given a large sum to reimburse her actually for the costs she was put to in the unlawful occupation of our territory. I think therefore that our claim is good

on the Dominion Government for reimbursement for all costs which Ontario has been put to by this reference to the Privy Council of these constitutional questions.

Then our next item of expenditure is Education, for which we expended \$579,465. Our estimate was \$581,412, or our expenditure was within the estimate by \$1,947.

For Public Institutions Maintenance we expended \$721,602, as against an estimate of \$705,654, or an over-expenditure of \$15,938. The expenditure in connection with our Public Institutions now amounts to about one-fourth of our whole revenue. It absorbs about two-thirds of the amount that was allotted to us by the B. N. A. Act to meet the whole expenditure of the Province. Of this, \$557,309 is for the support of the Insane and Idiot Asylums, and the Deaf and Dumb and the Blind Institutes, the mentally and physically afflicted. The remaining \$164,293 is the cost of our criminal institutions, the Central Prison, Boys' Reformatory and Mercer Reformatory. In 1884 I presented to the House figures made up for ten years shewing what had been the cost of maintaining these institutions and the number that had been admitted. The conclusions I then drew from these figures were, that in regard to all the institutions outside of the Insane and Idiot Asylums, the Province had, as it were, reached the position when the expenditure would not be likely to increase, and the accommodation was up to the requirements of the day. Fluctuations no doubt would take place, and perhaps a gradual increase in consequence of the gradual increase of population. That view has been confirmed in the five years which have elapsed since that date. The inmates of our different penal institutions in 1883 were 1,620; the inmates in 1888 were 1,635. The daily average in 1883 was 718; the daily average in 1888 was 710. Then take the Deaf and Dumb and Blind; the total inmates in 1883 were 426; in 1888 421; the average daily attendance in 1883 was 384; in 1888 370. Then taking both the penal institutions and the deaf and dumb and blind, the total population in 1883 was 2,046, and in 1888 2,056; the average daily population in 1883 was 1,102, and in 1888 1,080. I think therefore that we may fairly say that this is satisfactory, and leads to the conclusion that we have, so far as these institutions are concerned, both in accommodation and cost of maintenance, arrived at the maximum of what the Province may be called upon to do.

I am sorry, however, to say, Mr. Speaker, that as regards our asylums for insane and idiots, we have not so satisfactory a showing. From the first year of Confederation there has been a steady and continuous increase, not only in regard to applications for admission, but applications for increased accommodation. Almost every session large sums have been voted for increasing that accommodation, and on frequent occasions the hope has been not unnaturally expressed that this accommodation would be sufficient to overtake the demands for years to come. Unfortunately, Mr. Speaker, that expectation has not been borne out. No sooner were additional buildings erected than they were filled to overflowing, and yet the applications for admission were as great as ever. Until lately it was believed that this increased demand for accommodation was due to a large extent to the greater confidence on the part of the people in the management of the institutions. This to a large extent was true, and is still operative, but another idea seems to be taking hold of the public mind, that insanity itself is actually on the increase. That seems to be the belief not only in Canada but in the United States and Great Britain, and this may to some extent account for the increased demand for accommodation, but statistics in Ontario and the United States point to the belief that there is something more bearing in the same direction, and that is, the character of our immigrants from the older world; that due care has not always been taken as to the nature and character of the people brought out, and in many cases it is believed that immigration has almost been a direct transfer from the immigrant ship to the asylum. Let me read from the last report of the Superintendent of the Toronto Asylum :

“It is worthy of note in this connection that a large number of our admissions during the year consisted of patients who are foreign born and many of them recently imported. Their number is out of all proportion to the native born, and there is a strong suspicion in my mind that Canada is becoming a ‘dumping-ground’ for the defective classes of the fatherland. An enquiry in this direction of an official nature would doubtless be of service to the country. For example, it is found that out of the 165 patients of last year’s admission, ninety-two were of foreign birth and only seventy-three of Canadian birth. It is safe to say that the next census of 1891 will show a very large preponderance of native population over that

of immigrants. That is true of our present population, and yet the admissions of patients last year show a proportion of those born out of Canada to largely exceed that of Canadian nativity. At least nine-tenths of the former come from the British Isles. From personal enquiry it is found that a large number were in British and Irish asylums before coming to Canada. Such persons may have reached our shores of their own accord, and for this influx no 'Old Country' organization may be responsible, yet it is evident that such a class is not coveted by this Province, nor will the progeny of many of these patients make level-headed citizens. This is a matter of past experience."

From statistics gathered from the United States, it appears that the foreign-born population only amounts to one-eighth of the population, yet they furnish one-third of the insane that are in their asylums. In Ontario, our foreign-born population, according to the census, amounts to 22.29 per cent, yet, in our asylums they amount to 47.88 per cent. In connection with our asylum accommodation, however, I may say that from the last monthly return handed to me by the Inspector of Asylums, it would appear that at the present time the Province may be said to be just abreast of the demand. The return shews that we have at the present time vacant beds in the institutions for 30 males and 12 females, or a total of 42 vacancies. The lunatics and idiots in our common gaols number 23 males and 13 females, or a total of 36, or you may say that if these were transferred to our asylums, they would about take up the accommodation available.

As shewing what the Province has done for the accommodation of these unfortunates, it may be well to point out that Ontario has, since Confederation, spent on capital account for the erection of buildings, \$3,423,855. Of that, \$2,181,446 was for Insane and Idiot Asylums; \$458,986 for the Deaf and Dumb and Blind, and \$783,423 for the Central Prison and Reformatories. For their annual maintenance the Province has spent, for the Insane and Idiots, \$5,710,776; for Deaf and Dumb and Blind, \$1,138,536, and for the Central Prison and Reformatories, \$1,914,031, or a total of expenditure for maintenance of \$8,763,344, which, with the capital expenditure, makes up a total of \$12,187,199, for the maintenance of our criminal and

unfortunate mentally afflicted population. If you add to that, as a kindred expense, the grants made to Hospitals and Charities, \$1,439,891, you have a total of \$13,627,090 spent in connection with these institutions. Perhaps I may also say what has been done in the way of increased accommodation of late years. During the past four years, we have supplied 180 additional beds at Kingston, 324 at Hamilton, and 80 at Orillia, or during the last four years we have supplied accommodation for 584 of these unfortunates, and yet the accommodation is not sufficient, and you will find in the Estimates for this year a very large sum for providing increased accommodation.

The next item we have is Immigration, on which we spent \$7,952, against an estimate of \$8,000. For Agriculture, we spent \$137,054, against an estimate of \$141,931, or an under-expenditure of \$4,877. For Hospitals and Charities we expended \$113,686 against the same sum voted in the Estimates. For Repairs and Maintenance of Parliament Buildings, etc., we spent \$69,228 against \$64,176 voted, or \$5,053 more than the amount voted. For Public Buildings we spent \$291,423, against an estimate of \$383,062, or, there is unexpended, in connection with Public Buildings, \$91,639, made up principally of the unexpended amount in connection with the Mimico cottages, \$44,439 ; also, an unexpended balance in connection with the new Orillia Asylum, \$30,728. These are the two main items unexpended. For Public Works we spent \$42,871, against an estimate of \$50,496, or an under-expenditure of \$7,626. For Colonization Roads we expended \$112,273, or \$5,623 over the amount voted, \$106,650. For charges on Crown Lands we spent \$96,734, against an estimate of \$101,900, or an under-expenditure of \$5,166. For Consolidation of Statutes, we expended \$31,395, or an over-expenditure of \$9,805. The total expenditure up to the present time, in connection with the last Consolidation of the Statutes, has been \$79,160, while the total expenditure in 1877 was \$73,787, the present expenditure for the Statutes of 1887 being already larger than that. This is accounted for by the fact that the present Consolidated Statutes contain 321 additional pages, as compared with the Statutes of 1877, and besides, in the present issue, there is an index in each volume. Then we have also on hand a large amount of type, all

set up in page form and filed away, in case a further issue should be required. That type is valued at \$20,000, which we have in that form, and which is included in the expenditure of \$79,000.

Then we have Miscellaneous, \$74,030, against an estimate of \$127,100, or an under-expenditure of \$53,070. For Refunds, our expenditure was \$27,703, against an estimate of \$27,954, or an under-expenditure of \$251.

Altogether, Mr. Speaker, the expenditure under the Supply Bill has been \$3,007,037.02. Our estimate was \$3,125,804.12, or the expenditure has been less than the amount voted by the sum of \$118,767.10. (Applause.)

Now, our total ordinary receipts were \$3,489,044.81 ; our total ordinary expenditure under the Supply Bill has been \$3,007,037.02, or our ordinary receipts for the past year, 1888, have exceeded our ordinary expenditure by the sum of \$482,007.79. (Applause.)

Then, outside of the Supply Bill, we have certain specific and statutory expenditures. First, Drainage Debentures and Tile Drainage Debentures. Now, this ought hardly to be classed as expenditure. Although they are disbursements, they are investments bearing interest, just as much as placing money in the bank. We purchase municipal debentures and keep them as interest-bearing investments. We have expended in the purchase of Drainage Debentures, \$47,684.92, while we have received \$31,758.44, and for Tile Drainage Debentures we expended \$11,100, while we received \$3,398.56, or an excess of expenditure or rather investments over receipts for both of \$23,627.92. For Railway Certificates we have expended \$247,982.14, and in payment of Annuity Certificates, \$52,200. Then, we have Widows' Pensions, \$11,041.15. That is a new item in connection with expenditure, which I may explain here. At the time of Confederation, a certain amount was set apart from the Municipalities' or Clergy Reserve Fund to pay Widows' Pensions. That fund was exhausted some years ago, and, for the last two or three years, remittances have been made to the Dominion Government to meet that expenditure. We have now these lists of pensions for which we are liable transferred to us, and we pay them direct. They are a charge upon the Municipalities' Fund, and the expenditure will be continued until the annuities die out.

Then we have the expenditure on the Parliament Buildings, \$159,203.23. Of this amount, \$129,203 was expended on the contract, and \$30,000 in payment for the land.

So, Mr. Speaker, our total expenditure, both under the Supply Bill and also for these statutory payments, foots up to \$3,536,248.46, and our total receipts, \$3,587,421.78, or, taking our total expenditure as against our total receipts, our expenditure is within our receipts by \$51,173.32. If you add to that the balance of \$23,627.92 which is classed as expenditure but which is really money invested in debentures, it would make \$74,801.24 as the balance unexpended. We began the year, Mr. Speaker, with a bank balance of \$575,433. We have, out of our receipts for the year, provided for all the usual services of the Government, and made liberal grants in aid of public enterprises; we have expended upon the new Parliament Buildings and other buildings \$493,497; we have paid Railway Annuities amounting to \$300,182, added \$23,627 to our debenture investments, and at the close of the year had at our credit in the banks, \$628,944, which is \$53,511 larger than it was at the commencement of the year. (Applause.) Mr. Speaker, I think this statement must be accepted by the House as very satisfactory.

Now, Sir, we come to our assets and liabilities.

ASSETS AND LIABILITIES.

INVESTMENTS, INTEREST BEARING, AND CASH ASSETS OF THE PROVINCE.

1. DIRECT INVESTMENTS :

Dominion 6 per cent. Bonds.....	\$200,000 00	
Market value over par value	14,000 00	
	<hr/>	\$214,600 00
Drainage 5 per cent. Debentures, invested		
31st December, 1888	\$205,381 17	
Tile drainage 5 per cent. Debentures, in-		
vested 31st December, 1888.....	72,948 61	
Drainage works—Municipal Assessments..	242,228 77	
	<hr/>	520,558 55
		<hr/>
		\$734,558 55

2. CAPITAL HELD AND DEBTS DUE BY THE DOMINION TO ONTARIO,
BEARING INTEREST :

U. C. Grammar School Fund (2 Vict. cap. 10)	\$312,769 04	
U. C. Building Fund (18 sec., Act 1854)	1,472,391 41	
Land Improvement Fund (see award).....	124,685 18	
Common School Fund (Consolidated Statutes, cap. 26)— proceeds realised to 1st July, 1867, \$1,520,959.24— after deducting Land Improvement Fund portion belonging to Ontario	891,201 74	
Capital declared owing to the late Province of Canada by the Dominion Act (47 Vic. cap. 4)—\$5,397,503.13, bearing interest at 5 per cent., Ontario's proportion on basis of Award as advised by Finance Depart- ment	2,848,289 52	
Ontario's share of Library (see award)	105,541 00	
		<u>\$5,754,877 89</u>

3. OTHER DEBTS DUE TO THE PROVINCE :

Balance <i>re</i> Municipal Loan Funds Debts	\$850 00	
Balance <i>re</i> Mimico Lots.....	3,225 00	
		<u>\$4,075 00</u>

4. BANK BALANCES :

Current accounts	\$57,364 39	
Special deposits.....	571,579 75	
		<u>\$628,944 14</u>
Total.....		<u>\$7,122,455 58</u>

LIABILITIES OF THE PROVINCE AT PRESENT PAYABLE.

1. Balance due to Municipalities <i>re</i> Surplus Distribution.....	\$1,291 34	
2. Balance due to Municipalities <i>re</i> Land Improvement Fund, Interest.....	3,256 57	
3. Quebec's share of Common School Fund made up as follows :		
Collections to 31st December, 1888, on account of lands sold between 14th June, 1853, and 6th March, 1861.....	\$889,485 03	
Less 6 per cent cost of management.....	53,369 10	
		<u>\$836,115 93</u>
Less one-quarter for Land Improvement Fund	209,028 98	
		<u>\$627,086 95</u>
Collections to 31st December, 1888, on sales made since 6th March, 1861	\$317,594 09	
Less 6 per cent. cost of management	19,055 64	
		<u>298,538 45</u>
		<u>\$925,625 40</u>
Quebec's proportion according to population of 1881.....	383,257 82	
Total.....		<u>\$387,805 73</u>
Surplus of assets after deducting liabilities presently payable		<u>\$6,734,649 85</u>

I may mention, Mr. Speaker, that the sum of \$925,625.40 that appears in the statement of liabilities, in connection with the Common School Fund, will not appear again in the statement of assets and liabilities of the Province, because, in accordance with the arrangement made verbally when at Ottawa, instructions have been sent to the Dominion Government to transfer from the general amount at the credit of the Province this sum of \$925,625.40 to the Common School Fund. This will not affect our assets or liabilities in any way, because it is merely a transfer from the credit that we have in regard to Trust Funds generally to the Common School Fund specially, so that the amount of Trust Funds in the hands of the Dominion will remain as it was, only that a larger portion of it will be credited to the Common School Fund than before.

In reference to these drainage debenture loans, Hon. gentlemen will see in statement No. 3, certain adjusting and correcting entries in Consolidated Fund. These entries do not in any way affect the cash balances, but are merely book-keeping entries to correct book-keeping errors of the late Assistant Treasurer. When the Act reducing the interest on Drainage loans was before the House in 1887, I explained that owing to a want of knowledge of proper book-keeping, the then Assistant Treasurer had not kept these drainage accounts in proper form, and the result was that the ledger balances purporting to represent Drainage Assessment, Drainage Debentures and Tile Drainage, did not accurately represent the present value or balance of capital expenditure in regard to these loans. Let me illustrate how Mr. Harris dealt with them. Take Tile Drainage loans as the simplest illustration, The provisions of our Tile Drainage Act were that for every hundred dollars loaned, the borrower was to pay \$8 a year, represented by coupons for twenty years, \$5 of which was for interest and \$3 on account of principal. Now, when these \$8 coupons were paid Mr. Harris credited the whole to Tile Drainage accounts, instead of crediting \$5 to interest and \$3 to to Tile Drainage. He made the same error in regard to Drainage Assessments, which are all on the instalment plan, the annual instalments including both interest and principal. Some of the Municipal Drainage debentures are on this same plan, and Mr. Harris treated them in the same way. Then, in some cases where reductions were made in Drainage Assessment loans by Order in Council,

Mr. Harris while taking account of these reductions in the Drainage books, did not carry them into the general ledger accounts. These adjusting entries in Statement No. 3, are to correct these errors, and to bring the balances of these drainage accounts in the ledger into correspondence with the actual amount of these debentures held, or the amount of capital unpaid. I informed the House last year, that I had calculations made as to how each loan would be dealt with in regard to the reduction of interest from 5 to 4 per cent. I have this last year, had all these calculations revised and re-examined, and have sent statements to all the municipalities shewing the reductions to which they are entitled. Mr. Speaker, neither the Government nor the Treasurer can be held responsible for errors of this kind, unless for the responsibility of keeping an official who is found to be inefficient. It is utterly impossible that the Treasurer can personally examine every entry in the cash book or journal. He must trust to the Accountant for the actual work. I can only say, that as soon as I was aware of how Mr. Harris was keeping the accounts, I took steps at once to put these accounts on a proper footing, and the Government came to the conclusion that, however reluctant they were to remove officers who have been in the service for many years, a change must be made in the office of Assistant Treasurer and Accountant, and Mr. Harris was asked to resign. A new Assistant Treasurer has been appointed of large experience in banking and financial matters, and I have had a new set of books on a different system adopted, which will simplify and bring under more thorough check the transactions of the Treasury Department. Before Mr. Harris's retirement, I pressed upon him the adoption of this new plan. but it is difficult to get those long accustomed to one method to accommodate themselves to changes.

In former years, Mr. Speaker, the contention has been frequently made that the Trust Funds in the hands of the Dominion ought not to be taken as assets. That contention, in view of the admissions in the Dominion Accounts, can no longer be made with any show of reason. The Dominion, in the accounts furnished to the Province, admit them all as credits at exactly the amounts given in this statement, with the exception of the Common School Fund; but while they do not credit us directly with this.

fund, they admit they hold it at the joint credit of Ontario and Quebec, and we only take credit for our share of it, upon which share the Dominion pay us interest half-yearly. In the re-cast of the accounts sent by the Dominion in 1886, they admit a balance to the credit of Ontario of \$4,175,-276, adding to which our share of the Common School Fund \$891,202 makes a total credit according to these accounts of \$5,066.477, while in our statement we place the amount held by them at \$5,754.877.

The difference is caused by the Dominion charging various payments made on account of Ontario since Confederation, the most of them in the earlier years of 1867-8-9. These we do not take into account in our statement as they have not been yet allowed or settled, and also because we have certain charges to offset against them ; but it is likely that some reduction on the balance as claimed by us may have to be allowed on account of these payments when settlement is made.

Within the last few weeks, however, another re-cast of the accounts has been received from the Finance Minister, which shews a largely reduced balance to the credit of the Province as compared with the statement of 1886, as to which I think it necessary particularly to refer.

In regard to the adjustment of these unsettled accounts with the Dominion, I was in hopes that I would have been enabled to announce to the House at this Session that a final settlement had been effected of all outstanding accounts, except, perhaps, those preposterous Indian claims, which I on a former occasion referred to, and which by consent have been pigeon-holed, and from which I trust they will never be resurrected.

I think this settlement would by this date have been accomplished had progress not been blocked by the extraordinary attitude assumed by the Finance Minister of the Dominion, as to the interest to be allowed and charged upon the current balances of these accounts.

The position taken by the Dominion is of such serious import to the Province, that I think it proper to put the House and the people of the Province in possession of the facts.

The British North America Act, under which the old Provinces of Canada, comprising Ontario and Quebec, was merged in the Dominion, contained provisions for the settlement of the debts and liabilities of the

old Province. Certain of the assets were declared by that Act to belong to Ontario and Quebec conjointly, and provision was made for an arbitration to divide or apportion these assets and all debts, liabilities and properties not specially dealt with by the British North America Act. That arbitration met in February, 1870, and on the 3rd day of September of that year made their award. By that award certain special or Trust Funds in the hands of the Dominion were declared to be the property of Ontario, and certain other similar funds to be the property of Quebec. This was the first step towards settlement, and had the award been accepted by all parties, proceedings might at once have been taken to settle the details. Quebec, however, disputed the award and appealed to the Privy Council, and it was not until March, 1878, that the decision of the Privy Council, confirming the award, left the way open for negotiations for a final settlement of the accounts. During all those years the Dominion had been holding and using the moneys represented by these funds, and had been receiving and paying moneys on account of the old Province of Canada, and on account of the separate Provinces—in fact had been acting as Trustee for winding up the estate of the old Province of Canada, and as Banker for Ontario and Quebec so far as the Trust Funds were concerned. A joint examination and allowance of these receipts and payments by the financial officers of the Dominion and the Provinces, was necessary to a final settlement. From various causes of delay, which the published correspondence discloses, no meeting took place until November, 1882, when the Treasurers of the Provinces proceeded to Ottawa to meet the Finance Minister. They were met by Mr. Courtney, the Deputy Finance Minister, and the arrangements for procedure towards settlement at once entered upon. The first thing that was required was a statement of accounts, and suggestions were discussed as to how that statement should be made out, and upon what principle interest on the yearly balances should be allowed. It was finally suggested by the Treasurers that a balance should be struck yearly, and the interest carried into the account, either debit or credit, half-yearly, that is, the interest was to be compounded.

Mr. Courtney, acting for the Finance Minister, approved of the suggestion, and said the proposal was a reasonable one, and it was at once put in writing in the shape of a memorandum and signed by the Treasurers. Mr.

Courtney took the memo. into the adjoining room to show to Sir Leonard Tilley, and gave the Treasurers to understand that Sir Leonard approved of it.

Mr. Courtney promised to have the accounts made out in accordance therewith. The Treasurers called upon Sir Leonard to pay their respects to him before leaving, and Sir Leonard expressed his pleasure at the amicable nature of their conference with Mr. Courtney, and his gratification that they had come to an agreement. The foregoing is the substance of Mr. Wood's evidence of what took place at this interview.

The memorandum signed by the Treasurers and approved of by Sir Leonard and Mr. Courtney, was as follows:—

MEMORANDUM WITHOUT PREJUDICE.

The Treasurers of the Provinces of Ontario and Quebec having met to discuss the subject of a settlement of accounts between the two Provinces and the Dominion, are of opinion that before proceeding thereto, it is expedient that a statement of accounts between the Dominion and each of the two Provinces should be prepared, showing for each year on the debit side the various amounts paid, giving date or average date and the various amounts chargeable to each Province, and on the credit side the amount of subsidy, of interest on school funds, on widows' pensions and uncomputed stipends, Upper Canada and Lower Canada, on the amount coming to each Province under the award for the library and on Common School lands and Crown Lands, improvement funds and other services. They are further of opinion that a balance should be struck yearly, and that in arriving at such a balance, interest should be allowed or charged half-yearly, and that the amounts determined by award to be taken as the basis so far as it applies to the statement in question.

The Treasurers therefore beg to request that such a statement be prepared and furnished to them at an early date, and that all special funds be carried to the credit of the Province to which they respectively appertain, as on 1st July, 1867.

S. C. WOOD,
Treasurer of Ontario.

J. WURTELE,
Treasurer of Quebec.

Ottawa, 23rd November, 1882.

Now, the ready verbal approval of the Finance Minister, and his Deputy, Mr. Courtney,—which is not denied—and I may say here nearly all the negotiations and correspondence has been with Mr. Courtney,—would be accepted by most people as binding the Dominion in good faith to abide by it, but the subsequent action of the Dominion Government and its Finance Department, has ratified and confirmed that approval by repeated acts of concurrence and acquiescence.

The preparation of the accounts on this proposed plan was at once put in progress by the Finance Minister. The date of the memo. it will be observed was November, 1882. In June following, enquiries commenced to be made by the Treasurers of the Provinces as to when the accounts in preparation would be ready. These enquiries were repeated from time to time, and Mr. Courtney's replies to them all clearly indicate that the accounts could not be sent until submitted to and approved of by the Finance Minister and the Government.

Let me read you a few as a sample. The full correspondence will be found in the copy of these accounts submitted to Parliament in 1884.

On 23rd June, 1883, Mr. Courtney writes Mr. Wurtele:—

“In reply to that part of it asking when the accounts will be ready for settlement between the two Provinces and the Dominion, I have the honour to state that the accounts are now being sent to the printer, and on their return will be submitted to the Government. I expect they will await the return of Sir Leonard Tilley from England, and no doubt they will be taken up in September next.”

On 3rd October, 1883, Mr. Courtney again writes Mr. Wurtele:—

“I have the honour to acknowledge the receipt of your letter of 1st inst., respecting the accounts between the Provinces of Ontario and Quebec and the Dominion, and in reply thereto I have to say that the accounts are only just finished, and as soon as Sir Leonard Tilley returns to Ottawa they will be submitted to him, and I will then take steps that the subject will have early consideration.”

Again on 12th November, 1883, he writes to Quebec:—

“In reply, I beg to say that the accounts so far as they are ready, have been submitted to the Minister of Finance, and I am directed to inform

you that the Government regret that they are not in a position at present to take up the matter."

On the 26th June, 1883, Mr. Courtney writes to Hon. James Young :

"I am now finishing the accounts between the old Provinces of Canada, the Provinces of Ontario and Quebec and the Dominion, and I will send them for convenience to the printer, so that the case may be complete. I hope that the Ministry may consider them between this and September, and if I can I will endeavour to make arrangements that Mr. Wurtele and yourself may be here towards the end of September, to have the final settlement."

On the 8th October, 1883, the Acting Deputy Finance Minister writes to the Assistant Treasurer of Ontario :—

"I have the honour to acknowledge the receipt of your letter of 6th inst., respecting the unsettled accounts between the Dominion and the Provinces of Ontario and Quebec, and in reply to the same I have to say that the accounts are only just finished, and as soon as Sir Leonard Tilley returns to Ottawa, they will be presented to him, and steps will then be taken for an early consideration of the matter."

And on 28th November, 1883, Mr. Courtney writes to the same official :—

"I have the honour to acknowledge the receipt of your letter of 24th inst., respecting the settlement of the accounts between the Dominion and the Provinces of Ontario and Quebec, and in reply thereto I beg to say that the accounts, so far as they are ready, have been submitted to the Minister of Finance, and I am directed to inform you that the Government regret that they are not in a position at present to take up the matter."

Now, the preparation and transmission of the accounts, in view of this correspondence, cannot be said to be merely a matter of form for which the Government of the Dominion had no responsibility. If it were, why the necessity of these repeated delays until they could be submitted for approval, not even merely to the Finance Minister, but for the concurrence of the whole Government? The accounts were at last transmitted by the Finance Minister to the Treasurers, on 17th December, 1883, made out according to the principle agreed upon at the meeting of 1882, and embodied in the memorandum. During the thirteen months that they were in pre-

paration, not a word of objection was raised as to the proposed calculation of interest, nor when the accounts were transmitted, was any hint given that they were made out on a plan disapproved of by the Dominion Government. Do you not think it reasonable to believe, Mr. Speaker, if these accounts were sent in this form merely as a courteous compliance with a request of the Treasurers, and that objection was contemplated by the Finance Minister, that he would have taken care to accompany the transmission of the accounts with an intimation, that while the accounts were furnished as requested, the Dominion did not feel itself bound by the mode of computing the interest. ? No such intimation was given.

But not only were the Provincial Treasurers led to believe that these accounts and the credits for interest had the full approval of the Government, but the whole people of Canada were publicly informed by the Finance Minister, that these same accounts with the compound interest plainly shewn, were the accounts between the Dominion and the Provinces, as furnished by the Finance Minister after full consideration and approval, because, these same accounts were in the session of 1884 presented to Parliament. If the Dominion did not feel bound by the computation of interest shown in these accounts, was it not the plain and obvious duty of the Finance Minister to have informed Parliament, that although the accounts shewed compound interest, the Dominion only intended to allow simple interest at 5 per cent., but no such intimation was given. Then from December, 1883, to October, 1884, numerous letters were continually passing between the Provincial Treasurers and the Finance Department, asking and giving explanations of various items in the account. In all that correspondence not a whisper of any objection is made as to the interest shewn in them. Then at last, in October, 1884, a conference of the Treasurers with the Finance Minister, at Ottawa, is arranged. The Treasurers were accompanied at the conference with some of their assistants. The Finance Minister, his Deputy Mr. Courtney, and several of the staff of the Finance Department were also present. The Finance Minister placed before every member at the table, a copy of these same accounts, and an examination and settlement of details began. For two days that examination continued. Difference of opinion arose as to many items, discussion took place, and information was asked as to points in dispute, but not one word

was said by the Finance Minister, or any of his staff, that these same accounts, which at his invitation we were then examining and discussing, were improperly made out, or interest improperly credited; and that notwithstanding, that an almost direct invitation was given him to make that objection if he entertained it. That invitation arose in this way. At the previous Session of Parliament, you will recollect an Act was passed granting to Ontario and Quebec, a sum to reimburse them for the interest which had been charged them on the surplus debt of \$10,000,000 odd, between 1867, and 1872, when this surplus debt was assumed. The Treasurers claimed that as this Act had been passed since the accounts had been made out, new accounts should be made on the basis that both principal and interest had been assumed by the Dominion, and that the account, so far as the old Province of Canada was concerned, should commence with a clean sheet from July, 1873, and this we asked, because in the accounts we were charged compound interest on the debt, while the sum granted by the Act of 1884 did not allow compound interest, and we enquired how the interest in that Act had been calculated? I making the remark at the time, that it appeared to me the calculations were neither on the principle of simple or compound.

Sir Leonard said the calculations had been made by the officers of the Department, and which he supposed were correct, but that a statement would be furnished us of how it had been made up. Now, if any idea had at that time been entertained that compound interest was not to be allowed, was this not the time to have said so, and was this reference to the interest question not a direct invitation to make the announcement? but not a word of such was spoken, and the conference broke up without one word being said to intimate that the accounts were not made up on a principle acceptable to all.

I have said it was arranged that a re-cast of the accounts in consequence of the Act of 1884, should be prepared. That re-cast was prepared by the Finance Minister, under his own full direction and control. That re-cast was sent to the Treasurers on 11th January, 1886. That this re-cast had not been sent until it was submitted to and approved of by the Dominion Government, is manifest from Mr. Courtney's letter of 19th December, 1885, in reply to mine asking for the re-cast, in which he says: "The

“accounts are now being overhauled, and I trust when the Premier returns the matter will be at once taken up. The Minister of Finance has only just been installed, and as yet I have not been able to bring the matter to his notice, but I think that early next month, I shall be able to get matters in some shape.” Now here is a direct intimation, that the re-cast could not be sent until it had been submitted not only to the Finance Minister, but to the Premier. It was sent no doubt with their approval, and that re-cast contained the interest compounded on the same principle as in the former accounts.

Is it conceivable that the Finance Minister would have again made out the accounts, allowing compound interest without a word of objection, if that interest was not accepted as correct by the Government?

Again by referring to our Sessional Papers, you will see that from the date of the first furnishing of the accounts in 1883, a continuous correspondence was carried on between the Treasurer and the Finance Department, in regard to items of debit and credit in these accounts, but there is not during those six years in all that correspondence, a single objection as to the mode in which the interest had been computed, or any reference or suggestion that the interest question was unsettled. At last, on the 24th October last, another meeting with the Finance Minister was arranged, and the Treasurers of the Provinces met Mr. Foster to finally settle the accounts if possible. Then were we for the first time met with the intimation, that these accounts which had been furnished to the Provinces by his predecessors, were all wrong—that the interest was made up on a wrong basis—that the agreement of 1882, which for six years all parties had been acting upon, would not be adhered to, and that the Dominion would only allow 5 per cent. simple, instead of 5 per cent. compound, as had been agreed upon. And what was the plea upon which this act of repudiation was taken? It was that the memo. of 1882 was “without prejudice,” was not signed by the Dominion, and that the Dominion Government were therefore not legally bound by it. That in making out the accounts in accordance with the memorandum, they were merely complying with a request of the Treasurers, and that there was no precedent for allowing compound interest.

Mr Wood stated that the reason why the memorandum was made without prejudice, was that the Treasurers felt that they could not bind their

Governments without consulting them, and this was for the purpose of giving them time to secure their acquiescence. That acquiescence was given by the Governments of both Provinces when reported to them, and the words "without prejudice" ceased then to have effect so far as the Provinces were concerned. Had the Dominion Government come to the conclusion when the accounts were in preparation, or when submitted to them before being sent to the Provinces, that this mode of computing the interest could not be agreed to, it might then have been open to them to say, we cannot agree to this principle, but when these accounts were submitted to them for their approval before being sent out; when they were transmitted to the Provinces with their approval, and without a word to indicate any objection to the interest shewn; when for six years they have without raising this question, permitted correspondence to go on as to all other disputed points; when they have themselves made two subsequent editions or re-casts of these same accounts on the same lines, and submitted them to Parliament; when they have met in conference (the Treasurers) and discussed all points of difference suggested, without raising this question; when, I say, they have by these repeated and continuous acts, given tacit and active acquiescence in the agreement of 1882, without making a hint of objection, it is too late in the day to say now, Oh! this was all done without prejudice, and we are not legally bound.

As to there being no precedent for allowing compound interest, when this plea was urged by Mr. Foster, I from memory was able to quote to him at the time a few cases in which the Dominion Public Accounts shewed compound interest allowed, and a search in the Public Accounts has enabled me to quote to him several more. Let me give the House some of the cases in which compound interest has been allowed by the Province of Canada accounts and by the Dominion.

1. In the account with the Law Society of Upper Canada, interest was charged quarterly by the Dominion on the balances at debit of the account and included in the balance next year, on which interest is again charged, which is compounding.

2. The Upper Canada Building Fund was credited with compound interest on the balances at its credit, the interest carried into the account quarterly.

3. The Clergy Reserve Fund accounts, both Upper and Lower Canada, were credited in the same way with interest on the quarterly balances, which interest was added to principal, on which interest was again allowed.

4. The special account with the Common School lands was dealt with in the same way, interest credited quarterly to principal.

5. The Grammar School Fund was treated in the same way.

6. The Superior Education Fund, Lower Canada, was also allowed compound interest.

7. The Municipalities' Fund, Canada east, against which there was a debit balance, was charged interest on the balance at debit quarterly, and compounded.

8. The Seignorial Indemnity accounts, on which compound interest was allowed, and that at six per cent.

9. The Indian Trust, compound interest allowed.

10. Indian Land Management Fund, compound interest allowed, and at six per cent.

11. Savings Banks account, on which interest is compounded every six months.

What is the practice also in every Bank and Loan Society in the Dominion? I know of my own knowledge as to many of them, and I believe it is the invariable practice to compound the interest allowed on these accounts half-yearly.

Surely the people of Ontario, whom hon. gentleman opposite say are paying two-thirds of the revenue of the Dominion, are entitled to as liberal consideration in interest on their funds used by the Dominion as the seignorial lords of Lower Canada or the wandering Indian tribes.

It was also objected that if the compound interest was allowed to Ontario and Quebec, the other Provinces would ask a grant as an equivalent, which proposition is preposterous and inadmissible.

Ontario and Quebec do not ask this as a grant or a favour, we claim it as a right due us by the Dominion including the other Provinces, for which they have received full value. They have had the use of our money for twenty years. All we claim, is that for the use of that money, interest at 5 per cent. should be added yearly to the balance at our credit.

Ontario will never consent to bribe the other Provinces with her own money to secure her just rights. If any idea of opening a way to make grants to the other Provinces at our expense is at the bottom of this strange proceeding, I can only say for myself—and I think I express the sentiments of the people of Ontario—I would not accept our claim upon such conditions.

Ontario will never consent to this injustice. She has right, justice and equity in demanding that the agreement of 1882 should be carried out in good faith, and I very much misjudge the people of Ontario if they do not unanimously, irrespective of party, insist on its fulfilment.

Now, Mr. Speaker, my justification for referring to this question at such length, is that it is a serious question for Ontario. It involves a difference of nearly a million dollars to the Province. The difference according to the new accounts submitted, as they make them up on their plan of 5 per cent. simple interest, shews a loss to the Province of \$857,000 as compared with their own accounts formerly rendered.

But there is one point, Mr. Speaker, before I leave this question of the settlement of accounts which I ought to have mentioned. To assume, for the sake of argument, that the agreement of 1882 was not binding, why should the Province be required to accept only 5 per cent. simple interest? I think the law is, Mr. Speaker, that where no agreement is made, the legal rate of interest shall be allowed, which is 6 per cent. It may be said that under the British North America Act provision is made that Provinces entering Confederation with a certain amount of debt beyond what they were allowed are to be charged 5 per cent. interest upon that debt, and that other Provinces entering Confederation with less debt than they were allowed are to be credited with 5 per cent. interest, but this is a provision expressly confined to this question of excess of debt, by the terms of the Act. It has no application to accounts such as these, and surely if we are not entitled to 5 per cent. compound interest (which I claim we are, from all the circumstances laid before the House), then why should they say: "We will only allow you 5 per cent. instead of 6 per cent. simple interest?" Why, these very accounts submitted in 1888 contain a number of items charged against the Province of Ontario and the old Province of Canada with interest allowed by the Dominion

to the individuals whose claims they have paid at 6 per cent. Surely if the Dominion consider themselves bound to pay 6 per cent. upon arrears of payment to parties having claims against the Province, are they not bound to pay us 6 per cent. upon arrears due to us? I should think that would follow as a matter of course. But, another thing, you must recollect that their claim is that we are only to receive 5 per cent. simple interest from the date of Confederation. Now, it is well known that for many years after Confederation the Dominion were paying 6 per cent. for money borrowed, but they say to us: "We will only allow you 5 per cent." I may also say, as stated before, that the Dominion Government allow interest on the Indian Fund at 6 per cent., and also to the Seignories of Lower Canada. I have here the Public Accounts of the Dominion for 1884 showing that. I find on page 12:—

"Interest on Trust Funds:—Indian Fund—For one year's interest to 30th June, 1884, on \$1,107,812.93, at 6 per cent. per annum, \$66,468.78."

Then I have, immediately following:—

"Compensation to Seigniors, L. C.—Half-year's interest to 1st July, 1883, on \$198,073, at 6 per cent. per annum, \$5,942.19;" and, following that, "Half-year's interest to 1st January, 1884, on \$190,110.67, at 6 per cent. per annum, \$5,703.32."

Then, if you turn to the Special Accounts, you will see that interest is actually compounded. Take Indian Trust Fund Account, it says:—

Balance at credit of this fund on 30th June, 1883... \$3,150,986

Interest accrued during the year on funds in the

hands of the Dominion Government..... 153,816

This is credited to Principal Account, and interest allowed on it the next year, so that in regard to Indian Trust Fund Account the Dominion allows 6 per cent. compound interest, while they only allow us 5 per cent. simple.

Mr. Speaker, although this extraordinary position taken by the Finance Minister has prevented a final settlement being arrived at, still some progress has been made towards it. I may say, we have practically settled the old Province of Canada account. I have previously informed the House that the Treasurers contended that the effect of the Acts of 1873 and 1884 was

to cancel the surplus debt of \$10,506,088 with which Ontario and Quebec had under the B. N. A. Act, entered the Dominion, and upon which had been charged interest ; in other words, we contended that the Dominion by those Acts, assumed that surplus debt as at the date of Confederation. The Act of 1873 assumed the principal ; the Act of 1884 gave us the interest. It was agreed at the conference that our contention should be carried out in the accounts, and that the debt with which Ontario and Quebec jointly, should be entitled to enter confederation, should be placed in the accounts at \$73,006,088 instead of \$62,500,000 as in the former accounts, as the amount of liabilities assumed by the Dominion according to the balance sheet of July 1st, 1867, were only \$72,234,587, the old Province in the amended accounts really enters confederation with a credit balance of \$771,501.82.

This arrangement simplified the settlement very greatly, as the Dominion having assumed all the sums charged against the old Province up to 1873, the Provinces had no interest in examining into their correctness, we therefore accepted them as correct and proceeded to the examination of the charges from 1873 to the present time. Some corrections were made and this branch of the accounts with the exception of four or five items was settled and agreed to by all parties.

I am sorry that the negotiations that were opened with Quebec for an arbitration to adjust some matters in connection with this settlement in which the two Provinces have adverse interest, have fallen through for the present. It appears that some misunderstanding has taken place as to what was understood at a personal conference with Mr. Mercier and his Treasurer. Mr. Mowat, myself and other members of the Government understood that the Land Improvement Fund particularly, was to be referred, as well as the interest on the Common School Fund and other matters. Mr. Mercier, it appears, understood that the interest on the Common School Fund only was to be referred.

To shew clearly what our understanding was, it was announced to the House last Session that the Land Improvement Fund was to be referred, and we took power in the Act providing for the arbitration to refer this question and all other matters. Mr. Mercier only asked from his Legislature, power to refer the Common School Fund. It is unfortunate that

this difference has arisen, as it would be much better to settle all these matters by a friendly arbitration, than to have recourse to law. As Quebec has refused to arbitrate, I think the Dominion should credit the amount to Ontario, and charge the old Province of Canada as I requested them to do three years ago, leaving Quebec to contest the charge if so inclined. The Dominion has in other matters assumed to settle claims against the old Province of Canada without reference to the Provinces, and I think she would have a better justification in this, the equitable claim of the municipalities being so strong.

Now, Mr. Speaker, I come to another matter. I suppose the House will be pleased to learn that the Province has been successful so far in its suit with the insurance companies for recovering the loss sustained through the London Asylum fire. The House is aware, as I informed hon. gentlemen last session of the fact, that out of some twenty-six companies two companies only acknowledged the claim and twenty-four resisted it. Suit was entered. We appealed to the Courts, and judgment was given for the Province. I believe some of the companies in turn have appealed. I suppose the House is aware that, in accordance with the announcement made last Session, all our policies were allowed to expire on 1st May last, since which we have carried no insurance on our Provincial buildings. Since these policies have been allowed to expire a fire has taken place at the Agricultural College, involving a loss of \$20,000, on which we formerly carried an insurance of \$14,000, and in consequence some may hold that the position taken in regard to giving up insuring is one that was not justified. But, Mr. Speaker, we have an experience of seventeen years of insuring to enable us to judge as to whether the insurance of our Provincial buildings is profitable or not. During these seventeen years we have paid in premiums \$133,334, while we have only received for losses \$77,983, or there has been a profit to the insurance companies of \$55,851. Now, Mr. Speaker, I think an experience of seventeen years is a pretty fair test, and I think it demonstrates that the policy of insuring our buildings is clearly unprofitable. I would not attempt to say that any individual should give up insuring, but the Government, having its risks scattered over the whole Province, is not in the same position as an individual, inasmuch as no loss that the Government might sustain could involve

ruin such as it might in the case of an individual, therefore the Government considered, Is it profitable to pay insurance companies premiums and have them dispute our claims when presented, or run our own risks? Several large mercantile companies do not insure for the same reasons; their risks are spread over a large territory, not involving any great loss at one time, and therefore they can afford to take the risk of insuring their own buildings. Now, if we had renewed our policies, I would have had to ask the House for an estimate of \$32,000, and, supposing we had received \$14,000 for the fire at the Agricultural College, we would still have had to pay \$18,000 as the cost of carrying on our insurance for the next two years. Then we have the experience and practice in the United States in regard to insurance. Some two years ago in connection with this question I found that the majority of the States in the Union did not insure. I will mention some in our immediate neighbourhood—Michigan, Maine, Illinois, Indiana, New York, Ohio—these States do not insure; they run their own risks, and I think our experience of seventeen years has justified the Province in taking the same position.

I now come, Mr. Speaker, to the estimated expenditure for the present year. The Estimates are in the hands of hon. gentlemen. I will run over the amounts, with some little comments in connection with them.

For Civil Government our estimate for this year is \$212,145, an increase of \$13,300 apparently over last year, but hon. gentlemen will see that an item of \$9,476 is transferred from Agriculture to Civil Government, comprising the salaries and expenses of the staff of the Minister of Agriculture, formerly called the Bureau of Industries. He is now a Minister under Civil Government, and we thought it but right that that should be transferred. This amount is therefore not an increase.

Then for Legislation we ask \$120,050, against an expenditure in 1888 of \$127,030. We are making a saving in connection with the item of Sessional Writers, which we hope to be able to carry out this year. Then for Printing and Binding, we spent last year \$26,364, and we are asking this year only \$25,000. Then for printing Bills—as I said before this is a matter beyond our control, unless we should pass a law that hon. members should only be allowed to introduce one Bill to amend the law relating to one subject in one session.

Then for Administration of Justice we ask \$365,316 ; our expenditure in 1888 was \$373,898. As I said before, litigation of constitutional questions involved last year an over-expenditure of \$9,000. We only put the amount at \$12,000 for 1889, instead of \$21,000 asked in 1888.

Then for Education we ask \$588,872 as against an expenditure in 1888 of \$579,465. For Public Institutions Maintenance we estimate \$736,084, our expenditure in 1888 being \$721,602. I have already observed that the increase in that service is one which we cannot very well control. We wish we could curtail it, but it is an expenditure which must be met.

For Immigration we are only asking \$6,850, against an expenditure last year of \$7,952. For Agriculture, \$142,287 against \$137,054 expended in 1888. The increase in this is in connection with the Experimental Farm, and is mainly due to the necessity of replacing the losses in fodder, grain and implements, caused by the late fire. For Hospitals and Charities we ask \$120,528, against an expenditure last year of \$113,686, the increase being in connection with new institutions that have been placed upon the schedule and submitted for the approval of the House. Then for Maintenance and Repairs we ask \$64,140, against an expenditure in 1888 of \$64,176. For Public Buildings we are asking the large sum of \$471,636. That comprises new expenditures and large sums in connection with the following buildings : Cottages at Mimico, \$211,004 ; Asylum for Idiots, Orillia, \$60,000 ; for new buildings at the School of Practical Science, \$50,000, and \$20,000 for the new farm buildings at the Agricultural College. These four items make up \$341,000 out of the \$471,636. The balance is for various buildings throughout the Province. I may say that the vote asked this year is the largest yet asked for Public Buildings with the exception of the year 1873, when we took a vote of \$235,000 for the Central Prison.

For Public Works we are asking \$30,759 against an expenditure last year of \$42,870. For Colonization Roads we ask \$98,150 as against \$112,273 expended last year. For Charges on Crown Lands we estimate \$101,900 against \$96,734 expended in 1888. For Refunds we ask \$25,557 against an expenditure last year of \$27,703. For Consolidation of Statutes we estimate to require \$1,000 to supplement the expenditure of \$31,394 last year. For Miscellaneous we ask \$76,641, against an expenditure last

year of \$61,299. For Unforeseen and Unprovided we ask the usual sum of \$50,000. I may say that last year out of the \$50,000 we only felt ourselves obliged to appropriate \$12,731.

Altogether, our anticipated expenditure under the Estimates is \$3,211,-918.55.

Now, Mr. Speaker, I come to the question of Receipts—how are we going to meet these estimated expenditures? Hon. gentlemen have in their hands a statement shewing from what sources we expect to derive our revenue.

ESTIMATED RECEIPTS, 1889.

Subsidy		\$1,196,872 80
Interest on Capital held and Debts due by the Dominion to Ontario	\$279,111 10	
Interest on Investments	50,000 00	
		329,111 10
CROWN LANDS DEPARTMENT :—		
Crown Lands.....	83,000 00	
Clergy Lands	5,000 00	
Common School Lands	10,000 00	
Grammar School Lands.....	2,000 00	
Woods and Forests.....	1,000,000 00	
		1,100,000 00
PUBLIC INSTITUTIONS :—		
Toronto Lunatic Asylum	38,500 00	
London “	10,000 00	
Kingston “	3,500 00	
Hamilton “	7,000 00	
Orillia “	1,400 00	
Reformatory for Females.....	4,000 00	
“ Boys	700 00	
Central Prison	32,000 00	
Deaf and Dumb Institute.....	150 00	
		97,250 00
Education Department		22,000 00
Casual Revenue		34,000 00
Licenses		260,000 00
Law Stamps		75,000 00
Algoma Taxes.....		3,000 00
Drainage Assessment		20,000 00
Municipal Loan Fund		850 00
Toronto Asylum Lands .		185,000 00
Insurance Companies' Assessments.....		3,000 00
Assessment of Counties <i>re</i> removal of Lunatics.....		6,000 00
Total.....		<u>\$3,332,083 90</u>

Regarding the item of Interest on Capital held and Debts due by the Dominion, perhaps the Dominion may reduce this amount in consequence of their recent attitude. My hope is that the Dominion, however, after the joint remonstrance made by Ontario and Quebec, may be induced to reconsider this question, and that this sum will remain the same as it has been for years past. Under the head of Crown Lands Department, the Commissioner authorizes me to estimate \$1,100,000. Included in that will be \$140,000 remaining unpaid of the bonuses of 1887. The balance will be ordinary revenue from sale of Crown Lands and Timber dues.

Then from Public Institutions we estimate to receive \$97,250. From Education, \$22,000. Our receipts last year were \$33,000, but in consequence of the transfer of examinations to counties a saving of expense has been secured and at the same time it will result in a decrease of revenue to the amount of the fees received by the Education Department for these past examinations.

From Casual Revenue we estimate \$34,000. From Licenses we expect \$260,000. Our receipts last year were \$233,886. We expect to receive from the same districts this year \$240,000, and we are aware of petitions being circulated asking for a vote on the question of repealing the Scott Act in a large number of counties, and judging from the result of last year, it may be fairly anticipated that in some of these counties the Act will be repealed. The additional revenue, should the Act be repealed in all the counties, would be \$78,000, but we do not think that we are fairly justified in estimating more than one-fourth of that amount, and so we only place our additional estimated revenue from these counties at \$20,000.

Then for Law Stamps we expect to receive \$75,000.; the revenue last year was \$81,044.; from Algoma Taxes we anticipate \$3,000.; from Drainage Assessments, \$20,000.; from Municipal Loan Fund, the City of St. Catharines, \$850; then from the sale of Toronto Asylum Lands, \$185,000. Now it might be said perhaps that this is not an ordinary receipt, but when this land was set apart specially for the erection of cottages at Mimico, and the cost of these cottages comes in as part of our expenditure, it is but fair to take the receipts from the sale of this land as part of the revenue to meet that expenditure, and I therefore have taken

the balance of three-fourths to be covered by the mortgages, which we will dispose of if we can get par for them rather than to be dealing in releases and discharges with individuals, and I have no doubt we can get that for them.

Then we have Insurance Companies' assessments, \$3,000; and the assessment of Counties for removal of lunatics, etc., \$6,000, altogether making a total of Estimated Receipts for the year 1889 of \$3,332,083.90. Now our Estimated Expenditure under the Estimates in hon. gentlemen's hands is \$3,211,918.55. Our Estimated Receipts therefore will exceed our Estimated Expenditure for the year by \$120,165.35; but then, outside of ordinary estimated receipts, there will be no doubt as there have been in the past, some exceptional or statutory expenditures, items which we do not estimate for in the Supply Bill. For instance, we have railway annuities, \$247,982. We have also other annuities, \$52,200, or altogether \$300,182, so that taking into account the above estimated surplus and these statutory payments to be met, it would leave a deficiency of \$180,017; that is to say, if these estimates proved to be correct, at the close of the year we would have, taking the expenditure estimated under the Supply Bill and also these extraordinary expenditures, a deficiency of \$180,017. But, Mr. Speaker, we must bear in mind that we have at the commencement of the year a balance at our credit of \$628,944, so that you can take this \$180,017 out of that and still leave \$448,927 to the good in cash, out of which can be paid the expenditure upon the Parliament Buildings, and then leave a respectable balance still in the bank.

Now, Mr. Speaker, I have presented to the House the financial statement of the year and of the anticipated transactions of the future. We have for a good many years heard annual homilies upon the necessity of stringent economy, and predictions that the Province was rapidly nearing, if it had not already reached, a position when it would have to borrow to meet its ordinary expenditure or resort to direct taxation. We have recognized the necessity for economy and have accepted in good part the rather gloomy and dark-colored pictures of approaching ruin, which no doubt with the best intentions have been held up to us as a warning. We have, perhaps, sometimes thought those pictures overdrawn, and that the imagination of the senior member for Toronto has sometimes depicted these

with a grotesqueness worthy of the pencil of a Doré. We confess that we have ourselves frequently felt a good deal of difficulty in resisting the demand for new expenditures pressed upon the Government by the growing needs of a great and progressive Province. We have, however, by a careful and judicious control, been enabled to meet the legitimate demands in a fairly liberal spirit without trenching upon our reserve capital represented by our surplus. We admit that in this we have been materially helped by the late favorable timber sales, but we claim that the proceeds of these have been legitimately applied in public buildings and works which would otherwise have absorbed our reserve, and which are of far more present advantage to the people than forest preserves. We feel that we have on this occasion, as in the previous year, a fairly satisfactory balance sheet to present as to the transactions of the past year, and a hopeful and, I trust, not exaggerated prospectus for 1889. Our eyes are not closed to the necessity of economy, but recognize that that economy must be coupled with a liberal appreciation of the requirements of the public service, and we trust that the House, on a review of the financial statement which it has been my privilege to present, will give us credit for having fairly done our duty. I move, Mr. Speaker, that you now leave the chair.

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SPEECH

OF THE

HON. A. M. ROSS,

TREASURER OF THE PROVINCE OF ONTARIO,

DELIVERED ON THE 13th FEBRUARY, 1890,

IN THE

LEGISLATIVE ASSEMBLY OF ONTARIO,

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY.

REPORTED BY L. V. PERCIVAL



TRADE MARK.

TORONTO:

PRINTED BY WARWICK & SONS, 68 AND 70 FRONT ST. WEST.
1890.

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FINANCIAL STATEMENT
OF THE
HONORABLE A. M. ROSS.

LEGISLATIVE ASSEMBLY,

TORONTO, 13th February, 1890.

HON. A. M. ROSS, in moving the House into Committee of Supply spoke as follows:—

MR. SPEAKER,—In making the customary motion to go into Committee of Supply, I shall without preface proceed to present to the House a brief business statement of the transactions of the past year, the financial position of the Province at the close of 1889, and our estimates of receipts and expenditure for the present year. In doing so I shall follow the usual order which for some years past has been found the most convenient.

First, taking up the receipts for the past year, hon. members will find placed in their hands, as has been the custom for some years past, detailed

statements shewing all the receipts and expenditures for the past and the coming year. I believe the Press Gallery has also been supplied with these statements, and I think that it might perhaps be as well, to save the infliction of a tedious recital of all these figures, if I assume when I come to them, that they have been read, and afterwards proceed to make such comments upon them as occasion may require.

First, then, I will present the receipts for the past year.

RECEIPTS, 1889.

SUBSIDY	\$1,116,872 80	
SPECIFIC GRANT	80,000 00	
	<hr/>	\$1,196,872 80

INTEREST ON CAPITAL HELD, AND DEBTS DUE BY THE DOMINION TO ONTARIO	\$280,000 00	
INTEREST ON INVESTMENTS	75,025 98	
	<hr/>	355,025 98

CROWN LANDS DEPARTMENT:—

Crown Lands	\$66,888 54	
Railway Lands	5,748 50	
Clergy Lands	3,972 34	
Common School Lands	14,418 29	
Grammar School Lands	962 42	
Rent <i>re</i> Lands	200 00	
In Suspense <i>re</i> Lands	22,722 95	
Woods and Forests	1,078,598 12	
Casual Fees	980 19	
Refunds	1,964 53	
	<hr/>	1,196,455 88

ALGOMA TAXES	3,911 49
LAW STAMPS	84,841 65
LICENSES	302,734 44
EDUCATION DEPARTMENT	35,359 71

PUBLIC INSTITUTIONS' REVENUE:—

Toronto Lunatic Asylum	\$36,036 28	
London "	10,280 99	
Hamilton "	8,756 07	
Kingston "	3,579 95	
Orillia "	2,169 53	
Reformatory for Females	3,937 15	
" Boys	610 50	
Central Prison	65,679 09	
Deaf and Dumb Institute	150 00	
	<hr/>	131,199 56

THE HON. A. M. ROSS.

CASUAL REVENUE :—

Provincial Secretary's Department	\$9,174 79	
Registrar-General's Branch	145 06	
Fines, etc.....	4,407 00	
Escheated Estates	4,628 33	
Insurance Companies' Fees	700 00	
Surrogate Court "	1,307 70	
Division " "	8,217 72	
<i>Re</i> Land Titles Office expenditure, 1888.....	1,108 40	
Official Gazette.....	8,530 23	
Private Bills	4,339 75	
Statutes	1,501 80	
Consolidated Rules of Practice	198 00	
Incidentals.....	145 93	
		44,404 71
Insurance Companies' Assessments	\$2,999 95	
Removal of Patients "	5,905 78	
		8,905 73
LONDON LUNATIC ASYLUM—CAPITAL ACCOUNT	40 00	
DEAF AND DUMB INSTITUTE—CAPITAL ACCOUNT.....	80 10	
MERCER REFORMATORY—CAPITAL ACCOUNT.....	1,049 50	
DRAINAGE WORKS ASSESSMENTS.....	17,486 76	
MUNICIPAL LOAN FUND	850 00	
TORONTO LUNATIC ASYLUM—SALE OF LANDS	119,851 20	
NEW PARLIAMENT BUILDINGS FUND	315 74	
		\$3,499,385 25
DRAINAGE DEBENTURES.....		35,627 91
" " TILE		3,391 92
		<u>\$3,538,405 08</u>

Now, the total receipts for last year, according to the detailed statement given for revenue estimated for, amounted to \$3,499,385. Added to that are the receipts from Drainage Debentures, which we do not estimate for, being merely a repayment on the Investment Account of Municipal Drainage Debentures. It will be noticed that our first item of receipts is subsidy from the Dominion, which remains, of course, the same as since Confederation, \$1,196,872.80. The next item is Interest on invested Capital, for which we have received \$355,025.98. Our estimate of receipts from this source was only \$329,111, so that we have received an excess of interest of \$25,149.

Mr. Speaker, hon. gentlemen opposite, and their newspaper critics also, are continually asserting that we have no assets; that the assets that

we claim are a myth, that they are not tangible—that they are not a reality, and that we cannot realize upon them. I think that is about the general statement they make. Let me propound to these hon. gentlemen and these critics a simple problem—if we have no revenue producing assets, where does all this interest come from? It strikes me that there must be some substance where there is so palpable a shadow. Now, this amount of \$355,000 at five per cent. represents interest upon a capital of about \$7,000,000. This revenue is not particular as regards this year. During this Parliament the amount we have received has been in 1886, \$335,000; in 1887, \$324,000; in 1888, \$334,000; in 1889, \$355,000, or an average for the four years of \$337,332. Now that represents a capital of over \$6,500,000, and if it is claimed that we have no assets, I think the responsibility rests with hon. gentlemen opposite to say where that interest is derived from.

The next item is Crown Lands Revenue, which is one of the most important sources of our revenue. Our estimate was \$1,100,000; our receipts, \$1,196,455, or there has been an excess of receipts over the estimate of \$96,455. In 1884, Mr. Speaker, the first year I assumed the duties of financial officer of the Government, I undertook to meet the cry that our Crown Lands revenue was gradually diminishing, and that we should soon be brought face to face with direct taxation. At that time I gave figures for eleven years, shewing what the actual revenue from Crown Lands had been, and I shewed that the receipts for the year previous (1883) had been \$635,447, or only a few dollars less than the average for the eleven years, and I proved from the figures then given that our revenue was not diminishing, and that we might reasonably look forward to an equal permanent revenue from that source. Now the average for those eleven years was \$651,038. It might be interesting, Mr. Speaker, to continue that table, and bring these figures down to the present time, and see what the receipts from Crown Lands have been since that time, 1884, when I made that statement. In

1885, our receipts were	.....	\$736,864
1886, “	.....	814,813
1887, “	.....	1,113,142
1888, “	.....	1,436,454
1889, “	.....	1,196,455

or the average has been for that period, \$979,000, as against the average for the previous eleven years of \$651,038.

But it may be said by hon. gentlemen opposite, that included in that average for the later period is a large amount from bonuses from sales of timber limits. I may say that during former years there were large receipts also for bonuses, and that therefore the comparison is made under exactly similar conditions as before. It may, however, be as well to see what our revenue has been after deducting these bonuses. Deducting the bonuses, in this latter period our average receipts from Crown Lands have been \$724,000 as against an average for the preceding eleven years, including bonuses, of \$651,000, that is, that under the same tariff of dues we have more than maintained the average of receipts in former years. But in 1888 there went into force a new tariff of dues for lumber cut upon timber limits, the charge being at the rate of \$1 now as against 75c. per thousand feet then, and although the Order in Council was passed in 1888 it did not affect the revenue until 1889, because it is on the preceding year's cut that the dues are collected, our revenue in 1889, exclusive of anything derived from timber bonuses, was \$1,130,397. Our total revenue was \$1,196,455, but included in that was \$66,058, balance of bonuses realized on the sale of 1887. Now, I am assured by the Crown Lands officers and the Commissioner that there is nothing abnormal in the receipts from Crown Lands for timber dues last year, and that we have every assurance in safely counting upon an equal revenue from the same source for many years to come.

Mr. Speaker, it ought to be superfluous at the present day to inform the House, or anyone who takes any interest in the financial matters of the Province, from what sources we have derived that revenue. The main source is by way of dues collected for lumber cut upon lands or territory under license for a term of years, subject to such fluctuations in the yearly output of lumber as may be caused by the incidences of trade or the climatic facilities for manufacture and shipment. Yet I might say that from newspaper criticisms which I have seen of late, commenting upon the amounts received by the Province under our system of open competition by public auction, and comparing it with the Dominion system of private sale it is evident that these critics either have no knowledge of what the

regulations are, or how we derive this revenue, or else they are purposely concealing their knowledge and making misleading statements to the public. When these comparisons have been made, and where it has been shewn that we have received under our system of public competition large bonuses, and the Dominion under their plan of private sales very small amounts in some cases and not any in others, these critics say "Oh, but the Dominion collects a royalty every year from those operating the limits," and they endeavor to make out that that royalty is fully equivalent to our bonuses. It might be well to look and see whether there is any foundation for this contention. I think I shall be able to shew that exclusive of the bonuses, the annual dues collected from the licensees under our Ontario system are far more than the royalties collected by the Dominion under their system. Now, what are the Dominion regulations? The licensee pays an annual ground rent of \$5 per square mile, and pays a royalty of five per cent. on all timber cut as sold. The returns of Dominion licenses shew that the value of lumber at the mill ranges from \$14 to \$16 per thousand feet, and the five per cent. royalty comes to from seventy to eighty cents per thousand feet, while our dues are \$1 per thousand feet. But it may also be said, "The Dominion in some cases grants special permits upon which they charge a royalty of \$2.50 per thousand feet." So does the Province of Ontario issue special permits in certain sections, upon which we also charge \$2.50 per thousand, because there are no bonuses paid in these cases. You will therefore see that under the Dominion license system, their licensees only pay an annual due of 70c. to 80c. per thousand, while under our system licensees pay \$1. But they say the Dominion ground rent is \$5 per square mile while the Provincial ground rent is only \$3. Well what does that amount to? A difference of \$2 per year. Now if you take into account the average quantity of lumber upon a square mile, a very low estimate would be one million feet, and the average duration of the term in which ground rent would be paid is fully covered by, say, twenty years. Now, the present value of \$2 per annum for twenty years is \$22.76. If you divide that by one million feet cut, it only gives about two and one-quarter cents per thousand feet to be added to the 70c. or 80c. per thousand which they charge as royalty, so that all they collect at the very outside is say 83c.

per thousand feet as against our one dollar, so you will see that there is no advantage to the Dominion in regard to the annual dues from ground rents, and the fact remains that under our system of public auction we are not only realizing very large and handsome sums as bonuses which the Dominion are not receiving. But the annual dues on timber cut are largely in excess of those received by the Dominion.

Coming now to the next item, our estimate of receipts from the Education Department was \$22,000. We have received \$35,359, or an excess of \$13,359. Last year the Minister of Education had made up his mind to change the system of non-professional examinations by transferring them to the County Boards, in which case the fees would have gone to the counties, but on further consideration he found it advisable to continue the old system, and therefore the examinations were conducted in the same way as before, and we received the fees as in former years. There has been an over-expenditure under this head in the expenditure statement, but it has been more than off-set by this increased revenue.

Then coming to Law Stamps, our estimate was \$75,000, and our receipts have been \$84,841, or an excess of \$9,841. That is mainly due to the receipts from the Land Titles Office, the fees of which are paid in law stamps. The fees received by the Master of Titles were \$10,119, and our excess of receipts over our estimate is mainly due to this item.

Then our next item of revenue is Licenses. We estimated \$260,000 ; we have received \$302,734. In making that estimate we took into account that of the large number of counties in which the Scott Act was in operation, some of them, judging from the votes of the previous year, would revert to the old license system, but we only took into account that probably one-fourth might do so, and only felt safe in adding \$20,000 to the receipts of the previous year. Objection was taken at that time that in making this estimate we were prejudicing the supporters of the Scott Act as regards that vote, and an effort was made to make capital against us amongst the temperance people by the cry that we were helping those who were working against the Scott Act. Now I hold, Mr. Speaker, that it is the duty of the financial officer of a Government or a corporation to take all contingencies into consideration that are likely to affect his anticipated revenue, and in this case I only took into account a very small proportion

of what we might have reasonably expected to have derived from that source, and estimated, as I say, for only \$20,000 of an additional revenue on that account. The actual result was that all the counties where the Scott Act was in operation, were by the deliberate voice of the people again brought under the License Act, and therefore we received \$62,734 more from that source instead of the \$20,000 additional anticipated. I stated last year that if all the counties were to repeal, and the same number of licenses issue as in 1885, we might expect an additional revenue of \$78,000. All of them did repeal, but the additional revenue has only been \$62,734 instead of \$78,000, and some explanation of the reason is necessary. In 1886 this Legislature increased the dues for licenses, and the return of licenses issued under that increase in those counties which have come under the License Act which were formerly under the Scott Act, has shewn that these high licenses have had the effect of reducing the number of licenses issued. In thirty-six districts in which the Scott Act was repealed there were in 1885 1,049 hotel licenses. In 1889 under the increase tariff there were only 932, or a reduction of 117. Of Shop Licenses issued in 1885 in the same districts there were 132. In 1889 there were only 92 issued, or a reduction of forty, or altogether in these 36 districts there has been a reduction of 150 licenses. It is the belief of the temperance people that the fewer the places where liquor is sold, the less will be drunk, and these figures certainly support this theory.

Coming now to the next source of revenue, *i.e.* Public Institutions, we estimated last year a revenue of \$97,250. We received \$131,199, or an excess of \$33,949. That is due to the fact that \$30,000 was charged to Parliament buildings account and credited to Central Prison for brick manufactured at the Central Prison and furnished by that Institution to the contractors for the new Parliament buildings.

Then for Casual Revenue we estimated to receive \$34,000, and received \$44,404. There are a number of small items which this is made up of which it is not necessary to go into. There is an increase in Division Court Fees, also in Private Bills, Fines and Forfeits, etc., which amount to over what we estimated by \$10,404.

Then we estimated to receive from sale of Asylum lands for the erection of the Mimico cottages \$185,000. We only shew receipts \$119,851, or

\$65,149 less than our estimate. In making these sales we took mortgages for three-fourths of the purchase money, and a sufficient amount only of these mortgages were sold to meet the expenditure on the cottages now in course of instruction. About \$80,000 of these mortgages are still held and will be disposed of to meet the expenditure on these cottages during the present year.

Our total estimate of receipts for 1889 was \$3,332,083. We have received \$3,499,385, exclusive of Drainage Debentures, therefore our total receipts for the past year have been in excess of the revenue estimated by \$167,302.25. (Cheers.)

Now, coming to the expenditure, of 1889, it has been as follows :—

EXPENDITURE, 1889.

Civil Government	\$211,761 68
Legislation.....	119,938 69
Administration of Justice	366,252 24
Education	598,238 32
Public Institutions Maintenance	728,909 61
Immigration	6,849 90
Agriculture	138,787 58
Hospitals and Charities	120,402 48
Repairs and Maintenance P. B.....	64,732 60
Public Buildings	518,407 39
Public Works	23,071 66
Colonization Roads ..	103,666 63
Charges on Crown Lands	101,775 68
Consolidation of Statutes	781 97
Miscellaneous	60,013 63
Refunds	18,024 87
<hr/>	
Ordinary Expenditure under Supply Bill	\$3,181,614 93
Drainage Debentures	17,727 88
Title “	8,900 00
Railway Aid Certificates	247,982 14
Annuity “	52,200 00
Widows' Pensions	1,764 07
New Parliament Buildings.....	143,167 35
<hr/>	
\$3,653,356 37	
<hr/>	

First, in regard to Civil Government, we estimated that our expenditure would be \$213,145. It has been \$211,762, or an under-expenditure of \$1,383. Then in Legislation our estimate was \$121,550, and our

expenditure \$119,938, or an under-expenditure of \$1,612. There were a few small over-expenditures under this head, but as a whole we have closely approximated our estimate. It will be noticed by the detailed statement in the Public Accounts that there is a little over-expenditure in the item of House Post Office. This is due to the fact that a much larger quantity of mail matter was sent out last Session than in the one previous in the way of Sessional Papers, etc., and the result was that the item for postages was overdrawn to the extent of \$657.

Then in Administration of Justice our estimate of expenditure was \$369,766. Our actual expenditure has been \$366,252, or our estimate of expenditure was more than we found it necessary to expend by the sum of \$3,514. There are some few items which were overdrawn, but in the aggregate we have under-expended to the amount stated. There is, you will notice, an over-expenditure in connection with reporting. There was no vote taken for salaries of Reporters last year, as it was expected that the amount at the credit of Reporters' Fund would be sufficient to cover this service, but it was found that it would only cover ten months' salaries, and we were obliged to pay the remaining two months' out of ordinary revenue. Then in constitutional questions we estimated an expenditure of \$12,000. There has only been an expenditure of \$5,786, or an under-expenditure of \$6,213. In Algoma District there has been an over-expenditure of \$3,700; Muskoka District, of \$4,487; Parry Sound District, of \$1,320, while there has been an under-expenditure in regard to the new Districts of Rainy River, Thunder Bay, Nipissing and Manitoulin of \$4,637. Altogether, however, the expenditure in regard to Administration of Justice in the Outlying Districts has been only \$5,143 more than the amount voted.

Then in regard to Education, we estimated an expenditure of \$594,377; we expended \$598,238, or an over-expenditure of \$3,860. This excess was on account of the non-professional examinations before referred to, which were conducted here, as previously, at a cost of \$4,235, but as an offset we have the extra receipts derived therefrom in fees referred to in revenue.

Coming to Public Institutions Maintenance, we estimated to expend \$736,494. Our expenditure has been \$728,929, or an under-expenditure

of \$7,585. We took an estimate of \$5,530 for six months' maintenance of the Mimico Cottages, containing 100 patients, which were promised to be ready for occupation by 1st July, but from delays in connection with building we did not enter into occupation until January, which accounts to some extent for the unexpended balance. Then, again, there has been an over-expenditure in connection with the Central Prison Industries of \$7,403. Hon. gentlemen are aware that we have made changes in regard to the contracts under which the industries have been carried on. Those changes involved the employment of a number of foremen to carry on these Industries, these foremen having formerly been paid by the contractors, we have had to assume that responsibility, which accounts for our over-expenditure in that connection.

In Agriculture there has been an under-expenditure of \$5,200, principally a saving of some \$2,000 in connection with Agricultural Societies and Associations, \$2,393 in regard to statistics, and \$1,400 in the Agricultural College.

Then for Public Buildings we took an estimate of \$612,389. We have expended \$518,407, leaving an unexpended balance of \$93,982. I may say that this expenditure of \$518,000 is the largest expenditure for Public Buildings in any year since Confederation, but hon. gentlemen must recollect that it includes \$260,455 for new Asylum accommodation, viz., \$172,000 for the cottages at Mimico, \$58,000 for the new buildings at Orillia, and \$30,000 for enlargements at London. In some quarters, Mr. Speaker, complaints have been made that the Government have been remiss in their duty in the matter of providing for the insane population. Whatever may have been the shortcomings of the Mowat administration, I am satisfied the Government cannot be charged with neglecting this important branch of their duty. I say boldly that no Government that I am aware of, either National, Provincial or Federal, has done more in the direction of supplying accommodation for the poor and needy insane than has the Province of Ontario. I say that there is no other country, State or Province, that I know of that has taken upon itself the full charge and cost of maintenance of its insane. While in other countries the maintenance and custody of the needy insane is thrown largely upon the municipalities, the Province of Ontario assumes the

whole burden, and I say that any charge that we have been remiss in this particular matter is emphatically untrue. During this Parliament we have provided no less than 508 additional beds in our Asylums, *i.e.* new accommodation for 508 patients. The necessity for increased accommodation was urgent and we have been compelled to provide it at a cost of upwards of \$600,000. When all our cottages are completed at Mimico, there will be additional accommodation for 350 insane, and at the Idiot Asylum, Orillia, we shall have additional accommodation for 200 inmates. Our extra expenditure the past year for maintenance alone, as hon. gentlemen will see, is \$70,000. There is no doubt that this expenditure is growing from year to year, and it is unfair to charge us with extravagance because of this increased expenditure that is thrown upon us. On the one hand we are charged with not doing enough in the way of providing sufficient accommodation, and allowing patients to remain in gaol, and on the other hand, when we do provide additional accommodation, critics turn to the expenditure and point to the increase as an evidence of extravagance.

Included also under Public Buildings is \$63,000 which we have expended in connection with the Central Prison in that change of industries which I have already referred to, and which has been undertaken by the direction of the House. We have also expended in new buildings in connection with the Agricultural College during last year \$27,000, and \$33,000 for the new School of Practical Science.

In Public Works our expenditure has been \$23,071, against an estimate of \$33,759, or an unexpended balance of \$10,688.

Then in Miscellaneous our estimate was \$54,150. and we have expended \$52,075, or we have not expended all the vote by \$2,075. Included in that is an estimate of \$6,750 for expenses under the Canada Temperance Act. but in consequence of the repeal of the Scott Act we have only expended \$3,378. Of the \$50,000 for Unforeseen and Unprovided, we have only found it necessary to draw \$9,924.

Now, Mr. Speaker, the total votes which were placed at our disposal last year under the Supply Bill were \$3,360,040. Our ordinary expenditure under the Supply Bill has been \$3,181,614 during the year, or we have expended less than what you voted us by \$178,426. Our ordinary

receipts, I have already informed you, were \$3,499,298, so that our ordinary receipts for the past year have exceeded our ordinary expenditure by \$317,684. (Applause.)

But outside of our expenditure under the Supply Bill there are some statutory expenditures which we have to make. We have paid in cash for railway certificates and annuities \$300,182; widows' pensions, \$1,764; and for the new Parliament buildings, \$143,167, or our total expenditure, including railway aid and Parliament buildings, has been \$3,653,356, while our total receipts have been \$3,538,405, or our expenditure for all purposes, including capital, has been \$144,951 more than our receipts from all sources.

Now critics of our Provincial finances are very fond of the word "deficit." I see that even already, in regard to last year's transactions, it is claimed that there has been a deficit. When we have some \$500,000 cash in bank, I do not see that they can say that there is a deficit. I do not think an ordinary corporation would say so if they had at the close of the year a balance at their credit in the Bank of half a million of dollars, but I should like these hon. gentlemen to look through the same spectacles at the Dominion accounts as they do at the Provincial. I have heard a great flourishing of trumpets proclaiming that the Dominion had a surplus of \$1,800,000 in 1889, and yet, notwithstanding, the Public Accounts shew that the Dominion have borrowed money and increased their debt by \$2,998,683 during the past year. Now it is very easy to get a surplus if you borrow more money than you need to spend and then call the balance a "surplus." Our statement is a statement of the exact amount paid and received for all purposes. The Dominion may glory in having a "surplus" of \$1,800,000 when they borrow the money to make it. Yet hon. gentlemen opposite call that a "surplus" and ours a deficit.

Now, we have met from our ordinary receipts all that was necessary to carry on the service of the Government; we have expended, as I said before, in Asylum accommodation \$260,000; we have paid on account of the new Parliament buildings \$143,000, and we have paid \$258,000 for other public buildings. We have therefore added to our permanent capital investments \$661,000, and we have paid in cash, as I said before, \$300,000 in railway aid, and yet at the close of the year we have now cash in bank

\$517,261, or only \$111,683 less than at the commencement of the year. I think, Mr. Speaker, that the position is one that the House and the country may very fairly congratulate themselves upon.

I now come to our statement of

ASSETS AND LIABILITIES.

INVESTMENTS, INTEREST BEARING, AND CASH ASSETS OF THE PROVINCE.

(1) Direct Investments—

Dominion 6 per cent. bonds	\$200,000 00	
Market value over par value.....	10,000 00	
	<u> </u>	\$210,000 00
Drainage 5 per cent. debentures invested 31st December, 1889.....	\$187,481 14	
Tile drainage 5 per cent. debentures, invested 31st December, 1889.....	78,456 69	
Drainage works—		
Municipal Assessments.....	224,742 01	
	<u> </u>	490,679 84
		<u> </u> \$700,679 84

(2) Capital held and debts due by the Dominion to Ontario, bearing interest—

U. C. Grammar School Fund (2 Vict., cap. 10).....	\$312,769 04	
U. C. Building Fund (18 Sect., Act 1854)...	1,472,391 41	
Land Improvement Fund (See Award).....	124,685 18	
Ontario's share of Library (See Award).....	105,541 00	
Common School Fund (Consol. Stats., cap. 26)—proceeds realised to 31st December, 1889, \$2,446,584 64—after deducting Land Improvement Fund. Portion belonging to Ontario.....	1,433,569 33	
Balance of Unpaid Subsidy and other credits held by Dominion, according to statement of account prepared by the Finance Minis- ter, and transmitted to the Provincial Treasurer in June, 1886.	1,677,385 00	
	<u> </u>	5,126,340 96

(3) Other debts due to the Province—Mortgages, re sale of Asylum lands, bearing 5 per cent. interest

92,115 37

(4) Bank Balances—Current accounts..... Special deposits.....

105,518 90
411,742 77
 517,261 67

Total

\$6,436,397 84

LIABILITIES OF THE PROVINCE AT PRESENT PAYABLE.

(1) Balance due to municipalities <i>re</i> surplus distribution		\$1,291 30
(2) Balance due to municipalities <i>re</i> Land Improvement Fund—interest.....		3,256 57
(3) Quebec's share of collections for Common School Fund in 1889, made up as follows:—		
Collections during 1889, on account of lands sold between 14th June, 1853 and 6th March, 1861	10,423 36	
Less 6 per cent., cost of management.....	625 40	
		\$9,797 96
Less one-quarter for Land Improvement Fund		2,449 49
		<u>\$7,348 47</u>
Collections during 1889, on sales made since 6th March, 1861	\$3,994 93	
Less 6 per cent., cost of Management.....	239 70	
		<u>3,755 23</u>
		<u>\$11,103 70</u>
Quebec's proportion, according to population of 1881		4,597 57
Total.....		<u>\$9,145 42</u>
Surplus of assets after deducting liabilities presently payable		\$6,427,252 41

Now, in this statement of assets it will be observed that some changes are made in the funds stated to be held by the Dominion Government to the credit of the Province as compared with former statements. Firstly, it will be noticed that in the statement of last year and for several years before, the Common School Fund was placed at \$891,201 74. That was Ontario's proportion of the Common School Fund which passed into the hands of the Dominion at Confederation. Ontario, however, has been making collections on account of the fund since Confederation, and the amount of those collections to 31st December 1888, amounting to \$925,626.40, was at my request in January, 1888, placed by the Finance Minister to the credit of this fund and Ontario's account with the Dominion charged therewith. The total Common School Fund, therefore, now held by the Dominion for account of the two Provinces is \$2,446,584.64, and Ontario's share of that, according to the award, is \$1,433,569, which we take credit for as an asset. Then, for

2 (B.)

the last few years there has appeared in these assets the sum of \$2,848,289, the amount which under the Act of 1884 was placed by the Dominion to the credit of Ontario. As I mentioned last year, it had been agreed at the Conference that took place in October, 1888, that the contentions of myself and the Treasurer of Quebec should be carried into effect, viz., that under the Acts of 1873 and 1884 the assumption of the balance of debt of \$10,506,000 should take effect as at the date of Confederation, instead as at date of 1873. Our reasons for this were that as the Dominion was applying these Acts, the Provinces were being charged in the accounts made out by the Dominion compound interest on the surplus debt, and were only under the Act of 1884 receiving in return what they had paid with simple interest, and this plan of charging compound interest against the Provinces and only allowing them simple interest in return involved a direct loss to Ontario of over \$400,000. The effect of the arrangement of the old Province of Canada account made at the last Conference is, that the \$2,848,000 is taken out of the credits in Ontario account, and on the other side all the charges made against the Province for interest on the surplus debt between 1867 and 1873 are also struck out, and the amounts retained by the Dominion out of our subsidy during these years to meet that interest, become credits in the Ontario account bearing interest to the Province. Taking the accounts submitted to the Province by the Dominion in 1886 as the basis, the account would show after charging the transfer to Common School Fund, a balance held by the Dominion to credit of Ontario, exclusive of the specific trust funds already recited, of \$1,677,385—which I therefore take credit for as an asset held by the Dominion for the Province, and put this in place of the \$2,848,000 which was credited to us under the Act of 1884. In taking it in this form, I am, for the time being, assuming as correct all the charges made by the Dominion for disbursements made on account of the Province since Confederation. These will all have yet to be examined and proved before they are finally allowed. I have on a previous occasion informed the House that during the first two years of Confederation the Dominion had paid for the Province, in ordinary expenditure, such as Civil Government, Administration of Justice, Education, etc., upwards of half a million of dollars, which had never been brought into our Provincial accounts, and which was never

taken into account by honorable gentlemen opposite in all those comparisons of Sandfield Macdonald's expenditure which they used to be so fond of making. I have no doubt but most of those charges are correct, and I have always admitted that when a settlement was made these would reduce the amount we claimed to be in the hands of the Dominion, but that we would have counter claims against the Dominion which I thought would fully offset these charges.

In accepting the account submitted by the Dominion in 1886, including all these disbursements, as correct in the meantime, without taking any credit for those claims that we have against the Dominion, we are placing the amount held by the Dominion only at the figures admitted by themselves in their accounts of 1886 as held for Ontario. I do this, although it reduces our assets in the hands of the Dominion below what we have heretofore placed them at, by the sum of \$244,670, and I do it for the purpose of removing any vestige of claim that we are claiming fanciful assets, or assets which have in part ever been paid either to the Province or on its account. The total funds, therefore, held by the Dominion we place at \$5,126,950 instead of \$5,754,877 as in last year's statement.

It is true that the Dominion Finance Minister has repudiated the accounts made out and furnished by himself in 1886, which were made out on the principle of 5 per cent. compound interest in accordance with the agreement of 1882, and has substituted other accounts made upon a different principle unfavorable to the Provinces; but we place the amount as shown by the accounts of 1886, because we are satisfied that we will be able successfully to maintain our right to it, and the correctness of the principle on which these accounts are made up.

Now, it is continually asserted by hon. gentlemen opposite, and by the Conservative press, that we have no surplus; that our assets are not tangible assets, that we cannot realise upon them; that in regard to some of them we cannot demand the payment of the principal, but only the interest. I will read over *seriatim* the different assets we claim, and I challenge hon. gentlemen opposite, whether as members of this House or as representing the Conservative press, to take a substantial objection to one of them, as we would like to meet these objections here and now. First, we have Dominion bonds, which are held by our bankers

for the Province, which we place at their market value, \$210,000. Hon. gentlemen will, I presume, admit that is a tangible asset. Next we have municipal debentures issued for drainage, which we could dispose of on the market to-morrow. Do hon. gentlemen dispute that as an asset fairly taken credit for? Then we have the Grammar School Fund \$312,769 placed to our credit under the award at Confederation, not a dollar of which have we ever drawn. I would ask is there any objection to that as an asset worth its face, which we could demand to-morrow if desired? Then we have the U. C. B. fund, \$1,472,391, also awarded to Ontario, placed at our credit by the Dominion, and not a dollar of the principal of which has ever been drawn. Do hon. gentlemen object to that being placed as an asset? Next we have the Land Improvement Fund, \$124,685, awarded to Ontario, and which Ontario has paid over to the municipalities in advance of receiving it from the Dominion. Is that objected to? Then we have the amount which the award decided the Dominion should pay for Ontario's interest in the Library, \$105,541. We have never drawn a dollar of it. It is still held to our credit by the Dominion and interest paid upon it.

Then we come to the Common School Fund, \$1,433,569. That fund stood at Confederation at \$1,520,959. It was held by the Dominion. The Quebec award provided that it should continue to be held by the Dominion as trustee for the two Provinces, who should have respective shares in it roughly as 5-9 to 4-9, Ontario having the larger share, and should half-yearly receive from the Dominion interest upon it. The award also provided that the collections made by Ontario after Confederation should be paid to the Dominion to be placed to the credit of the fund. The collections made by Ontario up to 31st December, 1888, amounted to \$925,625, which has been paid to the Dominion, or, which is the same thing, the Dominion has, at Ontario's request, charged the amount against Ontario's credit balance and added it to the original fund, making the amount of that fund now \$5,126,340. If Ontario had received justice in the Quebec award the whole of this fund should belong to her. Every acre of the land set apart for this fund was in this Province, and had Ontario's claim been properly pressed I cannot conceive it possible that the arbitrators would ever have given Quebec an interest in lands in the Province of Ontario. However, we are bound by the award. Now, we take credit

for Ontario's share of that fund, which is held by the Dominion, which they acknowledge they hold for us, and on which they pay us interest half-yearly. Is it not as good and substantial and safe an investment as the Dominion bonds or the municipal debentures? It is bringing us as high a rate of interest as any of our other investments, and I cannot perceive any reasonable objections to it being treated as an asset.

I know very well that hon. gentlemen opposite have made objection to that item being treated as an asset in the past. They have said, "You can only draw the interest. They are trust funds, which the Dominion will only pay interest on. The Dominion wont consent to give you the principal." Now, I have always contended that if ever Ontario wanted to realize on that, and Quebec and she united in asking that the principal sum should be paid over to them, the Dominion would never object; that as soon as Ontario and Quebec would say, "We want these funds," the Dominion would be ready to hand them over. Hon. gentlemen opposite have disputed that. The cry has been, "You have no right to put that in as an asset, because the Dominion would not dare to pay it over." Well, now, I wish to inform hon. gentlemen that I have the written opinion of a gentleman well versed in Dominion finances, whose right to speak with authority on this question hon. gentlemen will not deny, that the Dominion *would* hand it over if desired. I will read what he says. Other matters are referred to, but I will read the extract referring to this particular thing:—

"As the Common School Fund is solely for the benefit of the Provinces of Ontario and Quebec, and the Dominion simply acts as trustee in the matter to invest the moneys and pay over to the Provinces the interest derived from such investments, it appears to the Dominion Government that it would be in the interest of all parties if a tripartite arrangement were entered into and ratified by the necessary legislation whereby the fund and the property connected therewith should be completely transferred from the Dominion to the Provinces, and I am directed to ask your consideration of this suggestion."

This letter, Mr. Speaker, is from the Hon. Finance Minister of the Dominion of Canada. (Applause.) Now, I would ask hon. gentlemen opposite where they stand in their objections to this item? I have myself

always contended that if Ontario chose to demand the payment of the capital held in trust for her by the Dominion, the Dominion would never hesitate to hand it over. And here we have the Finance Minister asking us to take it over. If we did accept it and place it in the bank to our credit, would it not be a cash asset? Hon. gentlemen are rather unfortunate in their contentions. First of all, they objected that we should take in any of these funds held by the Dominion as part of our assets. Then in course of time they gradually let themselves down a little. Then they took emphatic ground in regard to the \$2,848,000 placed to our credit by the Finance Minister under the Act of 1884. They said the Act provided that interest only was to be paid. That was their contention for a year or two until the Finance Minister placed the whole amount in his public accounts, to the credit of Ontario as capital due to her, and now we have the Finance Minister of the Dominion himself casting to the winds the last vestige of their claim, that the Common School Fund could not be treated as an available asset, by inviting us to take the money out of their hands! (Applause.)

Then let me take the other items of assets. We have mortgages, \$92,115. Now it may be said that we anticipated selling these mortgages. We found, however, that it was not necessary to realize upon them last year. We propose to do so the current year, but in the meantime they are yielding us 5 per cent.

Lastly, we have at our credit in the banks the sum of \$517,261, making a total surplus of assets, after deducting liabilities presently payable, of \$6,427,252, and I challenge hon. gentlemen here and now to dispute a single item in the statement. (Applause).

Then as regards liabilities, we have a small proportion due the Province of Quebec for their share of the collections on account of Common School Fund made during last year, to be transferred to the Dominion, and then the amount will appear to the credit of Ontario. I know, sir, that hon. gentlemen take the ground that our liabilities are stated to be merely present liabilities. That is all that we profess to shew. We profess by this statement of assets and liabilities to shew assets that are this day available,—that we can turn into cash, and we deduct from that liabilities that are presently payable, but we do not take into account our Railway Aid certificates,

which were purposely issued with the intention that they should not be made a charge upon our present assets, but should be a charge upon future years. When Mr. Blake proposed his vote of \$100,000 annually for 20 years, it was his intention, as announced at the time, that the yearly payments should not be taken out of present balances of assets, but deducted out of future years receipts, as they became due. We have carried out that same principle, and we have always admitted, and admit now, that they are a liability of the Province to be met out of ordinary revenue as they mature. For the last two years we have payed them out of annual revenue; at the same time we have the power, if necessary, to issue renewals of our railway certificates and postpone their retirement until future years, and which we did by and under the annuity scheme. That is the position of our assets and liabilities, and I may say that we are not single in this mode of treating such annual liabilities. The Dominion Government, who hon. gentlemen will of course claim, are not in the habit of blinding their supporters by presenting them with "cooked" accounts, have provided in their Railway Subsidy Act that instead of paying a lump sum, they may give the Railway Companies so much per year for fifteen, twenty or thirty years just as we do, and they do not treat these annual payments as liabilities. Why then should not we treat ours in a similar way?

I am sorry, Mr. Speaker, that I cannot report that any definite progress has been made in regard to settlement of the long-standing accounts of the Dominion. Last year I informed the House of the position taken by the Finance Minister in regard to the interest to be allowed the Provinces and the mode of its computation. The correspondence then submitted showed that for six years the Provinces of Quebec and Ontario and the Dominion had been by conferences and correspondence making progress towards the settlement of details and disputed points, always apparently under the settled conviction that the agreement of 1882, as to interest, was concurred in by all parties. I need not now repeat all those acts of concurrence on the part of the Dominion in that arrangement. Taken altogether they must be conclusive to any impartial mind that during all that time no idea was ever entertained by the Dominion Executive of repudiating that

arrangement. The information first conveyed to the Provinces by the present Finance Minister in October, 1888, just as a final settlement was approaching, certainly took the Provinces by surprise. It was so contrary to the spirit and tone of the preceding negotiations, so unfair to the Provinces, and, as it appeared to them, so direct an act of bad faith that the Provincial Government could not bring themselves to believe that it was seriously intended. The Treasurer of Quebec and myself accordingly addressed a joint remonstrance to the Finance Minister on the subject. The reply of the Finance Minister, which will be submitted to you, is a reiteration of his former decision, that the Dominion do not consider themselves bound by the agreement of 1882, whereby 5 per cent. compound interest was to be allowed, and will only allow 5 per cent. simple interest, as shown in the new statement of accounts submitted in 1888. Now, Ontario will never quietly submit to such an unfair and unjust arrangement. It would directly rob her of upwards of a million and a quarter of dollars, which she is clearly and justly in equity entitled to. It may be thought by some that if the Dominion allow 5 per cent. simple interest it is not unreasonable, and is a higher rate than the Dominion is paying for money in the market at the present time. If the transactions were of recent date or only outstanding for short periods, that might be conceded, and it would not be of such consequence; but it must be remembered that these moneys belonging to the Province, upon which we claim interest, have been held by the Dominion continuously for upwards of 22 years, and that for several years of that period the Dominion were paying over 6 per cent.—in some cases as high as 7 per cent.—on moneys borrowed in the open market. Why, in 1868 this Province bought Dominion 6 per cent. bonds at 2 per cent. discount. Again, had the Finance Minister, in the accounts he has submitted, even applied the principle, which is the rule in all interest-bearing accounts, of applying the payments made to the Province from time to time as payments on account of interest then accrued due, before applying on principal, some measure of justice would have been done, even under the operation of an unfair rate. But in the accounts which he has submitted he has carried the interest accrued from year to year into an interest account, until large amounts had accumulated, upon which, he does

not allow interest. The Finance Minister's own accounts show, that during the 22 years there has been continuously at the credit of that interest account large balances, averaging nearly a million of dollars, belonging to the Province, which the Dominion has been holding and using without interest; so that by this manipulation of the account, the Dominion is only offering to pay Ontario $3\frac{3}{4}$ per cent. interest on the sums held, instead of 5. Let me illustrate this by taking the balances shown by these accounts to be held by the Dominion at several periods, for instance, on July 1, 1884, it is shown that the Dominion held to the credit of Ontario, for principal, \$2,583,416, and at the credit of interest account, \$1,228,595; in all, \$3,812,011. The Dominion held and were using for their own purposes, by their own admission \$3,812,011 of Ontario's money. Now, for one year's interest of that money the Finance Minister in his account only credits Ontario with \$129,170, which is just about $3\frac{1}{2}$ per cent. And so for other years both before and after the one given. It is untrue therefore, and a deception to say that the Dominion are offering us even 5 per cent. simple interest. And Ontario will never consent to a settlement on that unfair basis. However, as it seems impossible to move the Finance Minister by the reasons of equity or good faith which we have adduced, we have, with the view of an amicable settlement, and to avoid delays and costs, made a proposition which, while not the compound interest to which we claim to be entitled, we would accept as a compromise; failing the acceptance of that proposition we ask a reference of our rights to arbitration. I will explain the proposition we have made. When Confederation was inaugurated there passed into the hands of the Dominion, certain Trust Funds, which up to that date had been administered and held by the Government of the old Province of Canada. The Trust Funds specially belonging to Ontario which thus passed to the Dominion were the U. C. Grammar School Fund, \$312,759; the U. C. Building Fund, \$1,472,391, and the U. C. Improvement Fund, \$124,685, and there also passed into their hands the Parliamentary Library of the old Province of Canada, which, in accordance with the Quebec award, the Dominion agreed to pay Ontario \$105,541 for their share of it. In all, therefore—in addition to some other balances, the Dominion took over and held in trust for Ontario \$2,015,385 in these four funds alone, and they hold the whole of that to-day; not a dollar of it has been drawn.

They also hold another Trust Fund, the Common School Fund, and in accordance with the instructions of the Quebec award, the Dominion have in their accounts regularly every half year placed to Ontario's credit, interest at 5 per cent. on Ontario's share of that fund, and on these credits on account of Common School Fund the Dominion allow interest. Our proposition is that the Dominion shall treat those other Trust Funds that I have named in the same way as the Common School Fund, by crediting as a credit on capital the interest half yearly, and that these half-yearly credits shall bear interest to the Province in the same way as any other sum received by the Dominion for account of the Province. Ontario has a clear case against the Dominion for compound interest on the two most important of these trust funds, the Grammar School Fund and the Upper Canada Building Fund. The old Province of Canada as trustee, was allowing compound interest on these funds up to Confederation. When the Dominion took over the trusts it was bound to notify the Province for whom they were held, if it proposed to change the manner of dealing with the trusts. The Dominion gave no such notice. Nay, in their published accounts after Confederation they continued the entries of compound interest, and now by the fiat of the Finance Minister they announce that they have obliterated those entries and assume to change the terms upon which the trusts were taken over by them to the detriment of the Province. Had they as prudent trustees, invested these trust funds when they passed into their hands in Canadian Government bonds at the then market rates, the Province would have been deriving during all those 22 years, not five per cent. but six per cent compound interest, but instead of that the Dominion used these funds for their own purposes. Under these circumstances are we asking too much in claiming five per cent. compound interest for that time, and is it not a mockery to ask us to accept three and three-quarters?

In our proposition we ask further, that the principle recognised by the Courts of law in regard to interest-bearing accounts of long standing, where partial or irregular payments are made from time to time, be recognised, viz., that at the date of each payment to the Province by the Dominion, the payment shall be applied first in payment of the interest which is due to the Province at that date, before it is applied to reduction

of principal which bears interest. If this proposition is accepted by the Dominion, we are agreeable to settle on that line. If not, then we ask a reference to arbitration.

The following are the terms of the proposition as embodied in an official letter to the Finance Minister :—

“ With a view to a reasonable compromise or an authoritative decision as to what the Provinces are entitled to, and in order that the long-standing dispute between the Dominion and Provincial Governments in regard to the Provincial accounts may be brought to a speedy termination, the Province would make the following propositions for the consideration of your Government :—

(1) That the Dominion Government place to the credit of the Provinces, half yearly, interest at five per cent. per annum on the special and trust funds shown by the accounts rendered in January, 1889, to be held on 1st July, 1867, by the Dominion on account of the Provinces, viz., for the Province of Ontario \$2,264,006.62, and for the Province of Quebec \$613,906.98 ; and that simple interest at five per cent. should be allowed on these half yearly credits in the same way as has been done in the same accounts with the interest on the Common School funds, and that the recognised principle relating to interest-bearing accounts between parties should be applied, viz., applying payments first in liquidation of accrued interest before application on account of principal.

(2) In the event of the Dominion not accepting this first proposition, that the question of the interest to be allowed on these accounts and its mode of computation be referred to arbitration, the Provinces appointing one arbitrator, and the Dominion also one arbitrator, and these arbitrators, if they fail to agree, to appoint a third arbitrator ; these arbitrators having all the powers possessed by arbitrators under the general laws of Ontario and Quebec ; and that it be referred to these arbitrators to find and award :—

(1) Whether the Dominion is legally or equitably bound by the agreement of 23rd November, 1882, providing for five per cent. interest, compounding half-yearly, either by having accepted or agreed to the terms thereof; or in view of all the facts and circumstances of the case, by acquiescence therein.

(2) If the arbitrators find that the Dominion is not bound by the said agreement, then they shall determine whether the Dominion Government should not in equity credit the Provinces half-yearly, with simple interest at five per cent. on the Special and Trust Funds, as submitted by our first proposition.

(3) Whether the account rendered by the Dominion in January, 1889, to the two Provinces, showing liability for principal and interest admitted by the Dominion Government, should not be re-cast by

(a) Allowing interest at the rate of six per cent. instead of five per cent., and

(b) Applying all payments made by the Dominion from time to time primarily in payment or reduction of accrued interest, before application thereof on account of principal."

I have the honor to be, dear sir,

Your obedient servant,

(Signed) A. M. ROSS,

Provincial Treasurer.

We should regret very much that we should be forced into an arbitration on this subject, and the delays and expense incident to any reference of this kind, but we are confident in the justness of our claims, and that impartial arbitrators will see justice done to the Provinces.

COMPARISONS.

At this the closing session of another Parliament, it may not be out of place to take a glance at the financial operations of the past four years in the aggregate. We commenced the year 1886 with cash in the bank \$227,894. We have received during the four years \$13,811,133 (included in those receipts are \$1,383,000 from sale of timber), and we have expended \$14,135,118, and included in that expenditure is \$1,747,572 on new public buildings, including increased accommodation for lunatics and idiots costing about \$600,000. We have spent \$475,067 on the new Parliament buildings. We have paid in cash \$510,468 of railway grant certificates falling due. We have paid in advance to the municipalities \$93,766 of

land improvement fund, and we have to-day, without counting the \$300,000 bonds sold, which has remained untouched, as it was then deposited in the banks, \$214,491, or within \$10,600 of what we started with four years ago, and we have not trenched on our surplus assets of over \$6,000,000. (Applause.) I think in this age of accumulating National and Government debts the record of Ontario for the Sixth Parliament, is one that may satisfy the people of the Province that its affairs are prudently managed ; and yet, Mr. Speaker, notwithstanding this satisfactory showing, we will, I dare say, have the old, vague cry of extravagance again doing duty at the elections.

Extravagance cannot, as honourable gentlemen well know, be truthfully charged against the Mowat Administration. What are the available tests that can be applied to prove whether there has or has not been extravagance ? An increased expenditure in itself is no evidence of extravagance. The purpose for which the money is expended has to be taken into account. We have the high authority of the senior member for Toronto for that sound principle. Comparisons with other Governments have in the past been made but not for some years. It may be useful to carry down those comparisons to the present. As, on a former occasion, I pointed out that the best test and comparison can be made with that branch of expenditure classed under the head of Civil Government, under which is charged all the expense of salaries and contingencies of the different Departments. If there is extravagance in the administration of the Government it will show itself there. Let us see what has been the progress of expenditure under that head during the tenure of office of the Mowat Government. In 1873, the first year of our honored leader's Premiership, the cost of civil government according to the Public Accounts was \$156,646. At that time the salaries and contingencies of the Education Department were placed in the public accounts under Education. Adding that cost to Civil Government would make the expenditure in 1873, \$175,914. But at that time fuel, gas, and water, and repairs were charged to Civil Government, and now are charged under Repairs and Maintenance. Deducting those charges in 1873, which amount to \$12,156, leaves Civil Government in 1873 for the same services as now, \$163,768. Now let us

see what the same amounts to in 1889. You will see in the public accounts it amounts to \$211,775, but included in that is the cost of the new Department of Agriculture and Bureau of Statistics, which was formerly charged under Agriculture, and is now transferred to Civil Government, \$14,500.73, and also the Board of Health, not in existence in 1873, \$6,753.32. Deducting these two items of expenditure leaves for the same services as existed in 1873 an expenditure in 1889 of \$190,522, which is just $16\frac{1}{3}$ per cent. in advance of the expenditure of 1873. Now, is this advance more in proportion than the relative increase in population? Our population in 1871 was 1,620,851, the increase between 1871 and 1881 was at the rate of 1.85 per cent. per annum, add, therefore, 3.70 per cent. for the two years and the population of Ontario in 1873 would be 1,690,719. The population in 1881 was 1,923,323. If the rate of increase since 1881 had been as great as between 1871 and 1881—and, I presume, honourable gentlemen would not like to admit that it was less—the population of Ontario to-day, in the eight years since the census was taken, should be 2,209,980 or 31 per cent. advance on 1873, but, at the risk of being branded as unpatriotic, truth compels me to admit, although it makes my argument less favorable, that I do not think our population during the last eight years has increased as much as in the eight years previously. I will, therefore, assume the increase has been only half as rapid and throw off 120,000, which would leave our population to-day 2,060,000, which would be an increase of $22\frac{1}{2}$ per cent. over 1873, while our expenditure for Civil Government has only increased in the same time $16\frac{1}{3}$ per cent., which by all fair minded and candid people will be admitted to be a fair evidence of economy and a direct evidence against any charge of extravagance. We have another test that can fairly be supplied. We can see how our expenditure in Ontario under this head of Civil Government compares with that of other Governments. At Ottawa, they have the same head of expenditure under which is charged the same class of expenses. Honorable gentlemen on that side of the House claim that the Ottawa Government is not an extravagant Government. We on this side think it is, and, if it could be shown that our expenditure was increasing as rapidly as theirs, or that we were as rapidly piling up debt, we would, I

think, be forced to admit that a good case of extravagance had been made out against us. Let us see how their expenditure for Civil Government stands. In 1873 it was, \$750,874 ; in 1888 it was \$1,258,618, an increase of \$507,744, or 67 per cent., against Ontario's 16½ per cent. Now, honorable gentlemen will hardly claim that the increase of the population of the whole Dominion has been greater relatively than the population of Ontario, and the figures I have quoted show that the increase in expenditure for Civil Government in the Dominion has been about three times as great as the increase in population, while the increase in Ontario is considerably less than the increase in population. Then again, we can gauge our expenditure as a further test by similar expenditure in the neighboring Province of Quebec. That Province has been mainly under Conservative management, and we find that Civil Government has increased from \$136,106 in 1873 to \$193,504 in 1888, or 43 per cent. When a Government does not increase its expenses for administration such as those embraced under Civil Government in a greater degree than the increase in the population of the country under its administration, it cannot be truthfully charged with being unnecessarily extravagant. I suppose municipal government may be considered the most economical government by public bodies, because municipal expenditure is so closely and continuously under the eye of the public. Yet, a glance at the municipal statistics will show that municipal taxation, expenditure, and debt, has increased far more rapidly than Provincial expenditure. Municipal taxation in Ontario has increased from \$6,608,779 in 1872 to \$9,295,011 in 1887. The rate of taxation per head of the population has increased from \$3.86 in 1872 to \$5.03 in 1887. The total municipal expenditure has increased in the same period from \$6,349,312 to \$21,849,828, and municipal debts or liabilities from \$13,695,587 to \$37,650,537.

Now, Mr. Speaker, I propose to go over our proposed expenditure for 1890. Hon. gentlemen have the Estimates in their hands, and I will therefore only particularly refer to some of the items.

Particularly I may call attention to the fact that in the item for Public Institutions Maintenance there is an increase of \$70,000 over our expenditure of last year. That is caused by the fact that we are providing

additional accommodation for a large number of unfortunates. We are estimating for 200 more at Mimico, 40 at London, 50 at Hamilton, and 7 at Kingston, or an increase in the population of about 300, and that involves an additional annual expenditure of upwards of \$70,000. Then we have also an increase in connection with the Central Prison industries. That will be more fully referred to when we are discussing the subject of the changes of contracts that have taken place, at a later date. In consequence of the change we have had to provide additional supervision and then also we have taken up one or two new industries. That involves considerable outlay in the way of material, etc. We are going to manufacture blankets, and cloth for clothing, at the Central Prison for all the public institutions. We are also going to manufacture all the iron bedsteads that we require for the various institutions, so that we have to lay out a certain amount of money for stock, which will, however, come back to us in the shape of revenue, and therefore we ask \$21,400 more this year than last. Then in Public Buildings we have again a very large estimate. We ask the very large sum of \$581,248. That includes an expenditure of \$154,404 for the completion of the cottages at Mimico, and \$124,500 for the completion of the addition to the Orillia Asylum. I do not know that there is anything else that I need to explain further than to say that our total estimated expenditure is \$3,420,054.

Then we come to our estimated receipts, or how we are going to provide for all these expenditures.

ESTIMATED RECEIPTS, 1890.

SUBSIDY	\$1,196,872 80	
INTEREST ON CAPITAL HELD, AND DEBTS DUE BY THE DOMINION TO ONTARIO	\$256,000 00	
INTEREST ON INVESTMENTS	60,000 00	
	<hr/>	316,000 00
CROWN LANDS DEPARTMENT:—		
Crown Lands	\$85,000 00	
Clergy Lands	5,000 00	
Common School Lands	10,000 00	
Woods and Forests	1,000,000 00	
	<hr/>	1,100,000 00

PUBLIC INSTITUTIONS :—

Toronto Lunatic Asylum	\$38,000 00	
London "	10,000 00	
Kingston "	3,500 00	
Hamilton "	8,000 00	
Orillia "	2,000 00	
Reformatory for Females	4,000 00	
" Boys	700 00	
Central Prison	65,000 00	
Deaf and Dumb Institute	150 00	
		<hr/>
		131,350 00
EDUCATION DEPARTMENT	35,000 90	
CASUAL REVENUE	45,000 00	
LICENSES	300,000 00	
LAW STAMPS	85,000 00	
ALGOMA TAXES.....	2,000 00	
FROM INSURANCE COMPANIES <i>re</i> FIRE AT LONDON ASYLUM.....	17,000 00	
DRAINAGE ASSESSMENT	17,000 00	
TORONTO ASYLUM LANDS	83,000 00	
INSURANCE COMPANIES' ASSESSMENTS	3,000 00	
ASSESSMENT OF COUNTIES <i>re</i> REMOVAL OF LUNATICS	6,000 00	
		<hr/>
Total	\$3,337,222 80	<hr/>

I may call attention to one or two of the items. The Dominion subsidy of course is the same. Interest on capital held and debts due by the Dominion and investments, we estimate at \$316,000. From Crown Lands we expect the same amount as last year, \$1,100,000. From Public Institutions we estimate to receive \$131,350, which is larger than last year. From the Education Department we estimate the same amount of receipts as last year, \$35,000. Then in licenses we estimate \$300,000. We might have made this \$308,000, because there is about \$5,000 to come from the counties that repealed the Scott Act last year, but I see a good deal of agitation among the temperance people to reduce the number of licenses, and I have taken off about \$8,000 of what we might expect to receive from these counties if the licenses continued the same as now. Altogether, our estimated revenue is \$3,337,222.80. Then we had, Mr. Speaker, in bank at the commencement of the year, current balances, \$517,261, or with cash on hand and what we may expect to receive during

the year, we have an estimated revenue of \$3,854,484.47. We deduct from that our estimated expenditures, \$3,420,054, which will leave a balance to the good of \$434,430. But, as I mentioned before, we have certain expenditures outside of the Supply Bill which will have to be met,—Railway certificates amounting to \$247,982; annuities, \$52,200, altogether \$300,182, which will still leave a balance of \$134,248 in the banks to meet the expenditure in connection with the new Parliament buildings. Every year during the last four years of this Parliament our receipts have exceeded our estimate and our expenditure has fallen short of the amount voted. On an average our receipts have exceeded our estimate by \$177,264, and our expenditure has been less by an average of \$194,372, that is, that taking our increased receipts and our reduced expenditure for the year we have been in a much better position than we anticipated in every year since 1886. In 1886 we were \$360,088 better off than we had expected; in 1887 \$576,144 better off; in 1888 \$204,578, and in 1889, this last year, we were \$345,728 better off than our estimate, so that I think we may safely say that our estimated receipts are not exaggerated and our estimated expenditures are not unduly curtailed. I think, therefore, that I am perfectly safe in saying that the cash on hand and the receipts we have to expect will more than amount to all the expenditures under the Supply Bill and all the extra expenditures to which I have referred. Now, it was never anticipated, Mr. Speaker, that our new Parliament buildings were to be constructed out of annual revenue, and yet, with the exception of \$165,847 arising from the sale of land, every dollar that has been expended on the Parliament buildings has been met out of ordinary revenue. (Applause.) And we are still holding thirty acres of the eighty acres of property originally set apart for that purpose, together with the valuable block on which these old buildings stand, valuable property, increasing in value every year, and I do not think that I am, perhaps, too sanguine in arguing that by the time the new buildings are completed the proceeds of these lands will, with the amount we are able to contribute out of annual revenue, be sufficient to fully complete the Parliament buildings without drawing on our surplus for a dollar. (Applause.)

Now, Mr. Speaker, I may, I think, fairly claim that the statement I have been privileged to present to the House is one eminently satisfactory. The only thing that may cast a shadow over the otherwise gratifying exhibit is that Ontario's satisfactory financial position when contrasted with that of other Provinces, may now, as in the past, give rise to the belief in those other Provinces, that Ontario, in financial arrangements, has profited more by Confederation than they. Yet, nothing could be more fallacious. Ontario's more satisfactory position, as has been frequently pointed out, is due, firstly, to the fact that the people of Ontario, under our comprehensive municipal system, have cheerfully borne a share of the burdens of self-government which the people of other Provinces have thrown almost entirely upon the Provincial Treasury, and secondly, to the more careful and economical administration of her affairs; and I think that on the close of the Sixth Parliament, five of which have been under the administration of the Reform party, the Government can confidently leave it to the intelligent people of Ontario to say, that in entrusting the management of their financial affairs to the Mowat Government, that Government has administered the trust judiciously, economically, and honestly.

I move, Mr. Speaker, that you do now leave the Chair.

STATEMENT of Receipts by the Treasurer of the Province

Years.	Dominion of Canada Subsidy and Specific Grant.	Dominion of Canada, Interest on special funds.	Dominion of Canada Mar- riage Licenses and Municipal Loan Fund, etc.	Interest on Investments.
	\$ c.	\$ c.	\$ c.	\$ c.
1867.....	40,000 00	.....	.....	.....
1868.....	1,196,872 80	136,696 62	134,874 23	5,031 25
1869.....	1,185,751 18	136,696 62	283 99	80,236 43
1870.....	1,076,729 84	136,696 62	37,654 05	146,123 65
1871.....	883,303 38	136,696 62	35,466 00	148,703 60
1872.....	903,303 38	136,696 62	35,361 00	221,757 95
1873.....	1,030,088 09	136,696 62	41,057 00	256,914 83
1874.....	1,196,872 80	136,696 62	.....	248,130 68
1875.....	1,196,872 80	136,696 62	.....	232,101 06
1876.....	1,196,872 80	136,696 62	.....	164,170 43
1877.....	1,196,872 80	136,696 62	.....	222,251 18
1878.....	1,196,872 80	136,696 62	.....	156,251 46
1879.....	1,196,872 80	136,696 62	.....	127,645 70
1880.....	1,196,872 80	136,696 62	.....	198,437 42
1881.....	1,196,872 80	136,696 62	.....	82,204 41
1882.....	1,196,872 80	136,696 62	.....	101,927 93
1883.....	1,196,872 80	136,696 62	.....	76,324 28
1884.....	1,196,872 80	207,903 86	.....	57,521 79
1885.....	1,196,872 80	279,111 10	.....	50,284 86
1886.....	1,196,872 80	279,111 10	.....	55,893 63
1887.....	1,196,872 80	279,111 10	.....	66,169 32
1888.....	1,196,872 80	279,111 10	.....	95,987 69
1889.....	1,196,872 80	280,000 00	.....	75,025 98
Totals....	25,466,013 47	3,791,494 18	284,696 27	2,869,095 53

of Ontario from July 1st, 1867, to December 31st, 1889.

Crown Lands Department.	Licenses.	Law Stamps.	Algoma Taxes.	Education Department.	Years.
\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	
142,889 63	.....	.....	.....	.....	1867
632,113 65	.....	.....	95 34	24,742 06	1868
879,542 34	58,924 74	42,989 55	2,664 11	24,976 07	1869
736,426 10	60,652 26	78,477 94	2,547 56	26,649 17	1870
869,585 36	58,558 55	77,650 97	5,014 12	35,450 65	1871
1,437,372 52	75,355 96	87,165 88	7,685 27	53,797 58	1872
1,121,264 46	82,152 78	95,249 08	3,801 90	51,480 21	1873
717,248 28	115,499 17	75,164 01	5,571 43	55,307 31	1874
640,346 34	107,590 10	63,950 93	5,045 45	57,808 25	1875
640,015 92	85,257 56	66,055 26	4,993 07	57,805 65	1876
628,712 90	78,820 96	68,756 99	1,032 35	57,781 38	1877
445,278 92	75,529 85	66,291 82	585 76	1,793 61	1878
457,340 27	85,220 17	71,383 83	9,948 96	47,961 95	1879
616,311 96	91,207 68	66,984 00	1,863 92	44,284 27	1880
992,504 01	91,604 01	57,502 10	16,210 64	31,450 42	1881
1,095,152 24	92,360 72	52,399 89	14,099 22	30,052 86	1882
635,447 25	96,460 50	61,845 02	4,106 02	28,175 25	1883
570,305 41	211,353 71	66,599 98	2,215 85	37,969 35	1884
736,864 95	162,330 07	66,988 02	1,620 38	38,749 72	1885
814,813 28	211,162 76	62,291 65	13,143 40	38,229 50	1886
1,113,142 77	202,455 56	68,439 88	15,247 60	24,807 59	1887
1,436,336 28	233,785 59	81,044 50	2,275 73	33,173 74	1888
1,196,455 88	302,734 44	84,841 65	3,911 49	35,359 71	1889
18,555,470 72	2,579,017 14	1,462,072 95	123,679 57	887,806 30	....

STATEMENT of Receipts by the Treasurer of the Province of Ontario

Years.	Casual Revenue.	Public Institutions.	Public Buildings.	
			Insurance.	Refunds.
	\$ c.	\$ c.	\$ c.	\$ c.
1867.....	10 00	.....	.....	.....
1868.....	43,011 33	8,591 90	.....	.....
1869.....	12,870 33	8,780 65	.....	.....
1870.....	20,810 91	19,457 90	.....	.....
1871.....	23,567 20	20,675 07	.....	.....
1872.....	26,776 99	25,295 66	.....	.....
1873.....	77,355 83	31,664 51	.....	3,713 14
1874.....	8,548 80	30,700 99	.....	1,810 20
1875.....	24,178 85	27,832 30	.....	1,233 04
1876.....	19,457 23	34,210 75	.....	26,487 50
1877.....	29,526 35	39,875 07	.....	11,925 71
1878.....	20,293 25	67,971 26	9,000 00	5,138 46
1879.....	26,642 32	66,089 42	6,900 00	625 63
1880.....	29,592 91	63,982 54	1,500 01	29,338 20
1881.....	32,752 50	98,782 01	.....	1,140 19
1882.....	30,578 77	79,646 00	1,500 00	707 95
1883.....	29,578 83	93,846 43	9,798 02	34 88
1884.....	33,426 45	110,211 68	753 36	645 60
1885.....	39,556 48	99,112 62	5,000 08	202 15
1886.....	42,572 83	89,220 09	21,608 11	6,155 48
1887.....	44,589 95	84,004 34	.....	200 00
1888.....	46,819 02	99,320 21	1,616 36	4,000 09
1889.....	53,310 44	131,199 56	80 10	1,089 50
Totals.....	735,827 57	1,330,470 96	57,756 04	94,447 72

from July 1st, 1867, to December 31st, 1889.—*Continued.*

Refunds <i>re</i> Public Works.	Sale of lands <i>re</i> New Parliament Buildings Fund.	Sale of lands <i>re</i> Toronto Asylum	Municipal Loan Fund.	Drainage Works rent charges.	Years.
\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	
					1867
			68,178 56		1868
			191,463 28		1869
			158,469 70		1870
			38,508 10		1871
			50,179 16		1872
			28,951 26		1873
			831,909 33		1874
			652,505 49		1875
137 84			113,444 44	16,211 71	1876
117 16				570 88	1877
521 91			10,288 82	11,883 40	1878
			1,652 36	15,289 70	1879
18 00			51,735 35	19,734 97	1880
				9,029 27	1881
				6,547 55	1882
			31 66	24,975 86	1883
			4,476 20	26,044 19	1884
			2,647,96	18,079 29	1885
	15,716 67			18,523 17	1886
	122,211 57		25,000 00	23,794 37	1887
400 00	28,861 71	30,471 81	4,000 00	15,041 52	1888
	315 74	119,851 20	850 00	17,486 76	1889
1,194 91	167,105 69	150,323 01	2,234,291 67	188,824 54	.....

STATEMENT of Receipts by the Treasurer of the Province of Ontario from
July 1st, 1867, to December 31st, 1889.—*Concluded.*

Years.	Drainage Debentures.	Annuities.	Totals.
	\$ c.	\$ c.	\$ c.
1867			182,899 63
1868			2,250,207 74
1869			2,625,179 29
1870			2,500,695 70
1871			2,333,179 62
1872			3,060,747 97
1873	1,125 60		2,961,515 31
1874	2,888 31		3,446,347 93
1875	10,444 58		3,156,605 81
1876	27,406 05		2,589,222 83
1877	29,625 69		2,502,566 04
1878	30,780 13		2,285,178 07
1879	37,681 66		2,287,951 39
1880	35,609 11		2,584,169 76
1881	41,997 80		2,788,746 78
1882	41,907 85		2,880,450 40
1883	45,748 00		2,439,941 42
1884	43,611 55	250,643 67	2,820,555 45
1885	37,100 54	271,399 69	3,005,920 71
1886	44,502 97	238,842 57	3,148,660 01
1887	38,250 76	242,626 92	3,546,924 53
1888	29,185 51		3,583,915 56
1889	39,019 83		3,538,405 08
Totals	536,885 94	1,003,512 85	62,519,987 03

STATEMENT of Expenditure by the Treasurer of the Province of Ontario
from July 1st, 1867, to December 31st, 1889.

Years.	Civil Government.	Legislation.	Administration of Justice.	Education.
	\$ c.	\$ c.	\$ c.	\$ c.
1867.....	18,219 47	14,938 95	4,812 18	.....
1868.....	90,959 62	85,949 18	171,995 81	331,582 20
1869.....	78,787 34	81,885 39	172,446 55	275,717 84
1870.....	104,909 35	37,487 87	180,004 02	315,887 92
1871.....	114,613 99	94,177 28	182,621 71	351,306 40
1872.....	142,218 85	99,559 42	191,647 66	421,703 53
1873.....	156,646 82	120,400 68	204,604 84	462,963 22
1874.....	159,180 49	176,289 79	208,373 36	487,444 80
1875.....	155,526 16	66,263 43	219,462 91	503,311 77
1876.....	155,365 59	106,940 56	286,591 40	524,493 51
1877.....	159,996 43	122,321 21	277,302 47	550,984 36
1878.....	158,721 64	126,463 03	295,369 52	556,056 84
1879.....	154,276 84	114,072 98	274,013 22	527,097 24
1880.....	173,732 67	111,585 44	265,070 31	505,104 86
1881.....	174,803 12	178,954 85	251,119 10	502 824 31
1882.....	190,739 55	165,016 04	262,731 46	511,268 48
1883.....	202,898 00	133,366 83	275,244 94	513,347 65
1884.....	179,825 23	141,440 28	331,026 69	531,651 00
1885.....	184,254 70	125,762 04	354,923 35	533,564 46
1886.....	183,049 56	115,612 22	346,641 16	568,112 13
1887.....	189,289 57	123,002 46	324,495 09	570,760 42
1888.....	200,685 25	127,030 77	373,898 80	579,443 80
1889.....	211,761 68	119,938 69	366,252 24	598,238 32
Totals	3,540,461 92	2,588,459 39	5,820,648 79	10,722,865 06

STATEMENT of Expenditure by the Treasurer of the Province

Years.	Public Institutions Maintenance.	Immigration.	Agriculture and Arts.	Hospitals and Charities.
	\$ c.	\$ c.	\$ c.	\$ c.
1867.....	.....	.....	4,000 00	.....
1868	152,936 19	.....	69,634 00	39,000 00
1869.....	146,702 96	17,595 00	71,151 41	44,000 00
1870.....	157,925 80	32,087 65	68,072 20	42,510 00
1871.....	171,423 17	29,712 56	76,277 90	40,260 00
1872	214,967 89	57,750 49	81,612 10	42,100 00
1873.....	234,040 76	159,178 55	82,817 93	43,020 00
1874.....	286,088 12	134,640 66	86,438 24	43,020 00
1875.....	362,710 51	94,060 53	94,444 83	52,346 16
1876.....	368,046 02	45,201 10	97,348 42	65,495 07
1877.....	427,044 74	46,265 34	97,234 55	64,151 48
1878....	482,466 76	31,975 09	97,928 62	70,673 19
1879... ..	469,190 80	39,650 12	105,900 80	73,720 44
1880	505,598 41	52,982 19	107,282 72	72,832 63
1881.....	551,663 61	34,826 37	106,936 01	78,092 75
1882.....	608,387 17	30,414 67	131,182 53	78,095 79
1883.....	648,995 63	47,764 41	139,725 95	80,600 53
1884.....	600,216 15	43,369 92	195,362 64	94,218 83
1885.....	613,570 89	19,088 11	159,576 45	96,421 28
1886.....	609,228 66	16,837 40	125,712 06	103,416 19
1887.....	650,744 62	11,795 94	130,567 14	106,230 62
1888.....	721,602 69	7,952 39	139,054 46	113,686 14
1889.....	728,909 61	6,849 90	138,787 58	120,402 48
Total	9,712,461 16	959,998 39	2,406,148 54	1,564,293 58

of Ontario from July 1st, 1867, to December 31st, 1889.—*Continued.*

Repairs and Maintenance, Public Buildings.	Public Buildings.	Public Works.	Colonization Roads.	Charges on Crown Lands.	Years.
\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	
			2,608 77	9,674 42	1867
	125,846 29		36,901 15	30,190 14	1868
	238,865 50	21,187 39	35,589 94	46,341 69	1869
	282,908 52	124,825 77	50,000 00	68,163 07	1870
	296,076 98	134,543 47	55,409 04	46,306 94	1871
	206,071 83	60,693 12	75,799 19	95,750 68	1872
	472,859 50	81,530 21	145,950 00	110,491 66	1873
	291,558 14	117,880 14	90,762 43	78,968 02	1874
	125,059 05	25,515 32	103,511 89	67,249 89	1875
	265,743 47	33,205 35	85,931 43	70,769 60	1876
	280,020 66	30,666 56	77,300 00	78,469 56	1877
	384,919 18	26,313 26	85,612 48	70,509 14	1878
	140,190 90	26,867 27	114,564 13	67,776 17	1879
	141,361 12	26,375 31	96,839 99	59,046 47	1880
	144,552 28	24,369 94	97,289 80	67,592 98	1881
	129,226 17	20,140 25	110,650 00	83,547 16	1882
	129,859 08	41,062 43	123,497 47	67,131 26	1883
70,149 91	235,517 24	27,717 40	185,772 55	103,006 53	1884
62,601 54	155,720 29	38,690 80	121,435 32	96,573 08	1885
57,650 91	227,893 19	51,763 07	145,213 80	91,092 98	1886
63,250 15	234,782 69	40,990 23	122,974 78	94,538 80	1887
69,229 54	291,423 56	42,870 71	112,273 56	96,734 47	1888
64,732 60	518,407 39	23,071 66	103,666 63	101,775 68	1889
387,614 65	5,318,863 03	1,020,279 66	2,179,554 35	1,701,700 39	.....

STATEMENT of Expenditure by the Treasurer of the Province

Years.	Refunds.	Statute Consolidation.	Miscellaneous.	Aid to Railways.
	\$ c.	\$ c.	\$ c.	\$ c.
1867.....	2,416 18	.....	.....	.....
1868.....	13,229 39	.....	31,045 20	.....
1869.....	183,341 01	.....	27,261 78	.....
1870.....	92,631 40	.....	21,563 08	.....
1871.....	186,241 25	.....	37,813 42	.....
1872.....	128,864 70	.....	26,029 61	372,786 00
1873.....	168,848 52	.....	16,859 54	426,642 00
1874.....	163,568 70	.....	17,338 20	113,812 90
1875.....	107,669 78	.....	86,418 38	417,334 00
1876.....	57,392 09	.....	74,270 39	372,306 65
1877.....	103,428 63	.....	81,937 75	343,613 74
1878.....	61,591 24	.....	78,901 33	232,529 05
1879.....	53,421 26	.....	124,539 93	479,064 02
1880.....	34,558 23	.....	91,293 19	182,032 48
1881.....	42,207 85	.....	43,820 24	205,523 37
1882.....	41,348 93	.....	66,806 61	254,445 82
1883.....	40,960 29	.....	103,717 15	258,001 62
1884.....	46,006 70	.....	84,754 05	253,783 41
1885.....	31,023 41	2,339 65	97,980 53	250,808 01
1886.....	24,214 58	17,666 37	86,326 92	247,982 14
1887.....	24,729 21	27,759 27	148,802 97	247,982 14
1888.....	27,903 63	31,394 99	80,838 65	247,982 14
1889.....	18,024 87	781 97	60,013 63	247,982 14
Total	1,653,621 85	79,942 25	1,488,332 55	5,154,616 63

of Ontario from July 1st, 1867, to December 31st, 1889.—*Continued.*

Annuities.	Drainage Debentures— Municipal and Tile.	Drainage Works.	New Parliament Buildings.	Widows' Pensions.	Years.
\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	
.....	.....	.....	.....	.....	1867
.....	.....	.....	.....	.....	1868
.....	.....	.....	.....	.....	1869
.....	.....	.....	.....	.....	1870
.....	.....	.....	.....	.....	1871
.....	.....	.....	.....	.....	1872
.....	53,949 22	.....	.....	.....	1873
.....	54,238 56	.....	.....	.....	1874
.....	81,736 30	55,660 03	.....	.....	1875
.....	24,809 95	53,443 78	.....	.....	1876
.....	49,243 25	11,425 96	.....	.....	1877
.....	34,496 45	590 40	.....	.....	1878
.....	86,602 39	.....	.....	.....	1879
.....	51,279 30	.....	4,150 07	.....	1880
.....	41,926 48	.....	112 00	.....	1881
.....	37,519 47	.....	1,342 19	2,347 14	1882
.....	31,294 83	.....	2,272 50	3,645 88	1883
6,700 00	71,998 04	1,600 00	.....	3,284 84	1884
20,400 00	40,223 78	.....	26 90	.....	1885
33,550 00	27,926 56	.....	8,119 44	.....	1886
45,950 00	30,166 39	.....	164,678 29	.....	1887
52,200 00	58,784 92	.....	159,203 23	11,041 15	1888
52,200 00	26,627 88	.....	143,167 35	1,764 07	1889
211,000 00	802,823 77	122,720 17	483,071 97	22,083 08	.....

STATEMENT of Expenditure by the Treasurer of the Province of Ontario
from July 1st, 1867, to December 31st, 1889.—*Concluded.*

Years.	Municipal Loan Fund Distribution.	Common School Fund— On account Quebec's share.	Land Improve- ment Fund— Held by the Dominion—Paid with interest to the Municipa- lities.	Stationery Office.	Totals.
	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.
1867....					56,669 97
1868....				3,118 86	1,182,388 03
1869....				3,735 03	1,444,608 83
1870....				1,686 56	1,580,663 21
1871....				82 67	1,816,866 78
1872....				3,187 50	2,220,742 57
1873....					2,940,803 45
1874....	1,361,101 59			788 68	3,871,492 82
1875....	986,243 48				3,604,524 42
1876....	452,151 28			1,121 99	3,140,627 65
1877....	317,711 04				3,119,117 73
1878.. .	108,171 15				2,902,388 37
1879....	65,765 76	25,000 00			2,941,714 27
1880....	22,061 41	15,000 00			2,518,186 80
1881....	8,182 22	25,000 00		5,251 08	2,585,053 36
1882....	57,458 73	25,000 00	111,158 79	1,334 10	2,920,161 05
1883....	9,071 70	25,000 00	9,579 58		2,887,037 73
1884....	150 00		338 26		3,207,889 67
1885....	154 48	35,000 00		5,973 81	3,046,112 88
1886....	377 51		93,062 84	259 31	3,181,709 00
1887....	177 12	100,000 00	704 53		3,454,372 43
1888....					3,545,234 85
1889....					3,653,356 37
Total.	3,388,777 47	250,000 00	214,844 00	26,539 59	61,821,722 24

STATEMENT of Expenditure by the Treasurer of the Province of Ontario,
from July 1st, 1867, to December 31st, 1889.

NOTE.—From time to time changes have been made in the classification of certain expenditures. The following list will be found to embrace the principal changes.

Expenditure for—

Education Office Salaries and Expenses appears under Education	1867-78
do do Civil Government	1879-89
School of Science, Salaries and Expenses under Public Institutions Maintenance	1872-83
School of Science, Salaries and Expenses under Education	1884-89
Mechanics' Institutes, etc., under Agriculture	1868-85
do do Education	1886-89
Expenses of Elections under Legislation	1868-74
do do Miscellaneous.	1875-89
Agricultural College and Farm under Public Institutions Maintenance.	1873-83
do do Agriculture	1884-89
Repairs, etc., Public Buildings under Departmental Expenses	1867-83
Consolidation of Statutes under Miscellaneous	1874-85
Drainage Works under Miscellaneous	1868
do Public Works	1869-74
